

## Botha Speech Backs Concept of Reform

PORT ELIZABETH, South Africa — President Pieter W. Botha said Monday that he was committed to political reform. But he rejected the idea of votes for all.

Mr. Botha also attacked foreign pressure for faster political changes following riots in the nonwhite townships.

His remarks came after advertisements were published by prominent South African business leaders appealing for negotiations on sharing power with blacks.

Mr. Botha said at the Cape Province congress of his ruling National Party that it was outgrowing what he called negative aspects of apartheid, South Africa's system of racial segregation.

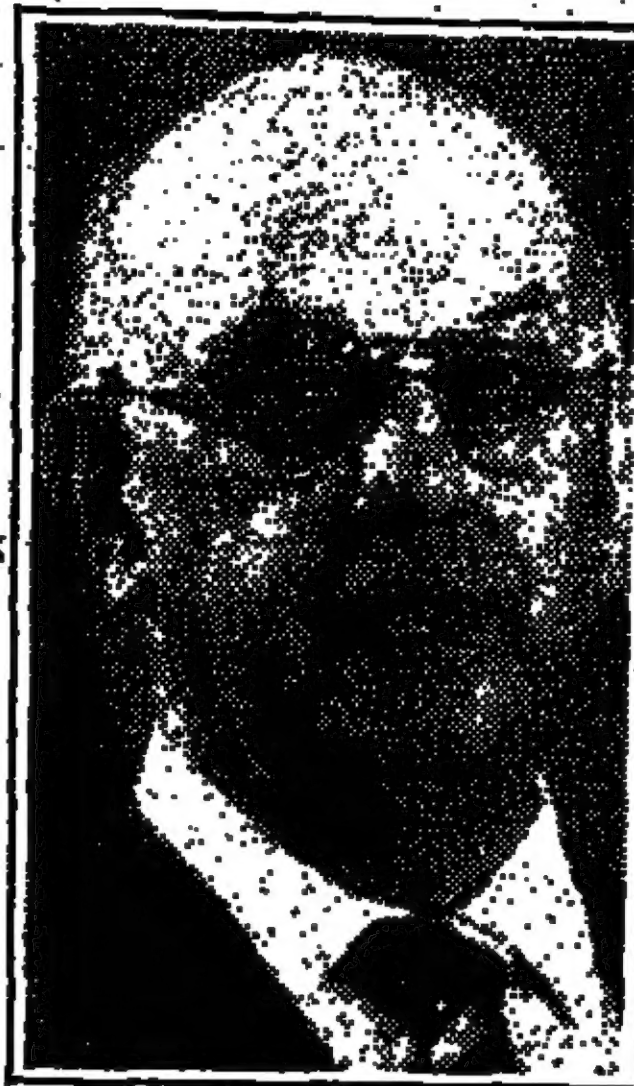
His congress speeches over the past two months have been watched closely amid intense domestic and foreign pressure for change to give a direct political voice to the country's voteless black majority.

Mr. Botha criticized foreign pressure for faster reform, but added: "I am the first to concede that the process of adjustment and change is still far from completion."

The history of the Afrikaner and other language groups is characterized by a struggle against domination and today we are continuing this struggle for freedom by means of steps of reform, freedom for ourselves and for everyone who shares this country with us."

After the first National Party congress in Durban, Natal, last month, the South African currency plunged on world markets and the country's economic crisis deepened when Mr. Botha's speech failed to meet international expectations.

But on Sept. 11 in Bloemfontein, Orange Free State, he announced plans to restore South African citizenship to millions of blacks made foreigners by the creation of nomi-



Pieter W. Botha

nally independent tribal homelands.

At the Pretoria Transvaal Congress, he attacked foreign critics for interfering in South African affairs.

Mr. Botha renewed these attacks Monday. He also defended his security forces against criticism of their actions during rioting in black townships over the past 20 months that has claimed about 725 lives.

"Because we remain committed to peace," he said, "South Africa will not be surrendered to control by fire-raising, stone-throwing mobs."

Mr. Botha outlined a future path between traditional, absolute apartheid and black majority rule, repeating his commitment to black tribal homelands and to segregated schools and residential areas.

He said: "It is, however, important that, from time to time in this country of minorities, we meet each other in political structures in order

(Continued on Page 4, Col. 5)

## 4 Russians Abducted In Beirut

### Diplomats Seized Near Embassy In 2 Operations

BEIRUT — Gunmen kidnapped four Soviet diplomats in two operations in West Beirut on Monday, witnesses and officials said.

The four men were abducted from two Soviet Embassy cars, both of which were found abandoned later within several blocks of the embassy.

Alexander Soldatov, the deputy to the Soviet ambassador, informed the Lebanese Foreign Ministry that four members of the Soviet mission were abducted in two separate incidents near the Russian Embassy, diplomatic sources said.

The Christian Voice of Lebanon radio named three of the Russians and said the fourth was the embassy physician.

The abductors took Arkady Katokov and the embassy doctor from the first car and Oleg Spirin, an attaché, and Valery Kornev, a second secretary, from the second car," the broadcast said. The doctor was not identified.

The kidnappings were believed to be the first involving Soviet officials in Beirut.

The identity of the kidnappers or their motives were not immediately known. Political sources, however, said it was likely that the abduction was linked to Syrian-backed offensive against Moslem fundamentalists in the northern Lebanese port city of Tripoli.

"It is possible," a Lebanese diplomatic source said, "that the kidnappers want the Soviet Union to pressure Syria to stop its assistance to the leftist and Communist militias of north Lebanon."

The fundamentalist Islamic Jihad organization threatened Saturday to attack Syrian and Lebanese leftist militia targets in retaliation.

A witness, who demanded anonymity for security reasons, said he watched the first kidnapping from across the street when the two occupants of the Soviet Embassy car were dragged out at gunpoint.

"It was about 2 P.M. when the kidnapping occurred," the witness said. "I suddenly saw a blue Peugeot car intercept the Soviet Embassy Honda. Four of the five gunmen from the Peugeot got out and surrounded the Soviet Embassy car. One of them went to the driver's side and demanded he open the door."

"When the driver refused, he started pounding the window with the wooden butt of his AK-47. The window shattered and the gunman was able to open the door."

"The men inside the Soviet Embassy car looked foreign. One was tall, well built and the other was a blonde. Both seemed between 30 to 40 years old. They did not put up a fight, although several shots were fired by the gunmen in the air."

A police spokesman said the embassy car, a beige Honda, was found abandoned later a few blocks away.

Details of the abduction of the other two Soviet officials were not immediately available.

Moslem militia sources said they had been contacted by the Soviet Embassy to hunt for the missing diplomats and their security units were following up the matter.

**Silence on Meeting**  
There was no further word Monday regarding a news conference at which kidnapped Westerners in Lebanon were to be presented, Reuters reported from Beirut. Callers saying they represented Islamic Jihad said earlier that a meeting was being organized.



## Mexican Earthquake Death Toll Over 5,200

Maria Lopez Sanchez stands outside Mexico City's Benito Juarez Hospital reading a list of earthquake victims in search of her niece. Authorities said the death toll of the Sept. 19-20 quakes had passed 5,200. President Miguel de la Madrid of Mexico named a commission on Monday to oversee the search for any survivors still trapped in the ruins of destroyed or damaged buildings.

## Key U.S. Economic Index for August Gives More Evidence of Rebound

Compiled by Our Staff From Dispatches

WASHINGTON — The government's main gauge of future U.S. economic activity rose a solid 0.7 percent in August, giving further evidence that the economy was rebounding from a yearlong slowdown.

The Commerce Department said the advance in its Index of Leading Economic Indicators matched a revised 0.7 increase in July. Both months showed the strongest gains since a 0.8 percent February advance. The July gain had originally been reported as a much weaker 0.4 percent increase.

Economists were heartened not only by the August gain, which was in line with expectations, but also with July's upward revision.

"My own feeling is we are going to avoid a recession this year and in 1986," Lawrence Chimerine, the head of Chase Econometrics, said after the report was issued. He added: "It is not a spectacular economic boom, but I think things are picking up a little bit."

Mr. Chimerine and many other analysts are more optimistic lately mainly because they believe that the Federal Reserve may lean on interest rates, keeping them stable or lower for a considerable time to help devalue the dollar. The strength of the dollar has severely hurt U.S. industry's ability to compete internationally.

Larry Speakes, the White House spokesman, reacting to the new numbers, said they continue "to show the world what can be accomplished when the government lowers taxes and cuts regulations."

But Mr. Chimerine said that the long-run health of the economy requires that federal budget deficits be cut severely, to among other things, reduce the upward pressure on interest rates.

The Reagan administration had forecasted that the economy would rebound sharply in the second half of the year, rousing itself from a prolonged period in which swelling imports slashed activity in U.S. industry.

To support that view, administration economists point to a variety of statistics that showed strength in August.

The civilian-unemployment rate, virtually unchanged for the previous six months, dropped to 7 percent in August, while consumer spending, housing construction and industrial production all posted solid gains.

However, the gross national product, measure of the total value of a nation's goods and services, was advancing at a modest 2.8 percent annual rate in the July-September quarter, the government has estimated.

"Although a substantial improvement over the anemic 1.1 percent rate during the first six months of the year, this pace was far below the 5 percent growth rate being forecast by the administration for the second half."

But some economists expected that the preliminary GNP report, issued before the quarter was ended, would be revised upward in coming months.

Michael Evans, head of Evans Economics, a Washington forecast-

ing firm, predicted GNP growth of 4 percent on an annual basis in the third quarter and an even stronger 5 percent rate in the fourth.

However, other analysts maintained that the current rebound would be more modest because the domestic economy was still being badly hurt by foreign competition.

Nariman Behravan, economist at Wharton Econometrics, another forecasting firm, predicted annual growth of 3.1 percent in the third quarter and only a slightly better 3.4 percent rate in the fourth, far below the administration's 5 percent projection.

The August advance was powered by contributions from six of the 11 available indicators.

The biggest contribution came from an increase in the money supply, followed by gains in building permits, the length of the average workweek, the number of new businesses, new orders for consumer

(Continued on Page 4, Col. 7)

## Reagan to Meet 6 Major Allies Before Summit With Gorbachev

By Bernard Weinraub  
New York Times Service

WASHINGTON — President Ronald Reagan plans to meet later this month with the leaders of six major industrialized nations to discuss his summit meeting in November with the Soviet leader, Mikhail S. Gorbachev, the White House announced Monday.

Those invited to the New York meeting were the leaders of Britain, France, West Germany, Canada, Italy and Japan.

Edward P. Djerejian, a White House spokesman, said that the allied talks will focus on arms control as well as East-West economic and political questions. The meeting will take place Oct. 23 and 24 while Mr. Reagan and the other leaders are in New York to attend ceremonies commemorating the 40th anniversary of the United Nations.

"The presence of the Western leaders at the United Nations in October provides a timely opportunity for such a working session," said Mr. Djerejian. The spokesman said that the White House was "awaiting acceptances from all the parties."

At the moment, White House officials said, a working luncheon between Mr. Reagan and the six leaders is scheduled for Oct. 24. But officials said that Mr. Reagan may also hold separate talks with some of them.

The call for a seven-nation meeting of the Western industrialized democracies underlined Mr. Reagan's desire to arrive in Geneva for his meeting with Mr. Gorbachev with a fairly unified Western alliance behind him, administration officials said. The summit meeting between Mr. Reagan and Mr. Gorbachev is to be held Nov. 19 and 20.

**Geneva Talks Resume**  
The Soviet Union presented new arms control proposals on Monday, The Associated Press reported from Geneva.

Viktor P. Karpov, the chief Soviet negotiator, refused to reveal details of the proposals.

Monday's session, which included all six principal U.S. and Soviet negotiators and their aides, was called by the Soviet side. A second such extraordinary session, also called by the Russians, was scheduled for Tuesday.

The chief U.S. negotiator, Max M. Kampelman, said before the session started that he hoped the Russians would propose a "serious counteroffer."

He said that, despite numerous press reports on the contents of the Soviet proposals, "I don't know yet the details of what we might receive."

The Soviet proposals were outlined to President Reagan by Foreign Minister Eduard A. Shevardnadze in Washington on Friday.

U.S. press reports said that they called for reducing both superpowers' strategic weapons systems by 50 percent.

Secretary of State George P. Shultz said that the plan signified a change in the Soviet position, but there was no indication that the Russians had modified their objectives to U.S. space-weapons research.

On Sunday, Mr. Shultz said that Mr. Reagan would not relinquish plans to develop space-based defensive systems, which the president has called a better way to prevent a Soviet missile attack than the threat of nuclear reprisal.

"Any deal on research would be ridiculous because there would be absolutely no way to verify whether or not it's being observed," Mr. Shultz said in a television interview on Sunday.

The negotiating group on space and defense met for one hour and 45 minutes. Details of the session, headed by Yuli A. Kvitinsky and Mr. Kampelman, were not disclosed in keeping with an agreement reached after the talks on strategic missiles, medium-range nuclear weapons and space and defensive systems began March 12.

U.S. officials have warned against any breakthrough before the summit meeting between Mr. Reagan and Mr. Gorbachev.

They also have avoided encouraging public expectation that the meeting, the first between Mr. Reagan and a Soviet leader, would produce extraordinary developments in arms control or East-West relations.

## Union in Berkeley Puts Ex-Radicals on the Spot

By Henry Weinstein  
Los Angeles Times Service

BERKELEY, California — Alice Waters has always thought her politics were progressive. As a student here in the turbulent 1960s, she demonstrated for free speech, struggled to end U.S. involvement in Vietnam and worked as a Montessori teacher.

Then, in the early 1970s, Miss Waters started a little restaurant called Chez Panisse. Within a decade, the restaurant had become famous, and Miss Waters was the doyenne of "California cuisine," an innovative style of cooking that emphasizes fresh local ingredients. Gradually, her work and that of a handful of other chefs transformed Berkeley into a culinary mecca.

Still, Miss Waters believes she has not abandoned her past. She donates food to the poor, and she says that one of her goals as a restaurateur is to provide conditions as pleasant for her workers as she does for her diners.

So it came as a big surprise this spring when labor organizers entered the kitchen at Chez Panisse and thrust a union leaflet into her hand. Miss Waters and other restaurateurs in Berkeley suddenly found themselves the targets of an organizing campaign that accused them of providing substandard wages, benefits and working conditions.

By all accounts, it is a strange labor struggle. Most employees of the restaurants show no sign

of wanting the union. They are a varied lot and include psychologists, sculptors, free-lance writers and students.

So, the union leaders initially thought it might be easier to approach some of the owners, whose liberal leanings were presumed to make them more sympathetic to organized labor than their workers.

In addition to Chez Panisse, the union targeted a dozen restaurants, including the 4th Street Grill, run by Susan Nelson, who was active in the California prison reform movement, and Augusta's, owned by Bonnie Hughes, who once led a successful union organizing effort at the San Francisco Museum of Modern Art.

So far though, the union has been successful only at August's and a small restaurant called the New Orleans Bar and Grill.

Miss Hughes, Augusta's owner, agreed to recognize the union without a struggle even though the restaurant is barely in the black and even though she considers herself a fair employer. "When you have principles, you have them all the time; otherwise they're not principles," Miss Hughes said.

But what once looked to some union organizers like a sure thing has turned into a battle that could last for years.

An organizer for Local 28 of the Hotel Employees and Restaurant Employees International Union, Danny Cassidy, said, "These people are all in favor of

(Continued on Page 4, Col. 5)

## Captain Criticized Texas Controller Before Fatal Crash

United Press International

WASHINGTON — The captain of a Delta Airlines jet that crashed during a thunderstorm near the Dallas-Fort Worth airport, killing 136 people, criticized the air traffic controller handling the flight for "lack of experience," a transcript of the cockpit recordings showed Monday.

Captain Edward Connors, recorded on the aircraft 18 minutes before the crash, was heard saying of the unidentified air traffic controller: "He's sleeping. Get him out of bed." Moments later the captain said: "Getting kind of hot in the oven with this controller. See, that's what the lack of experience does."

Last week, an air controller at Washington's National Airport was placed on administrative leave after a large passenger jet had to abort its takeoff to avoid a helicopter crossing the runway.



Simone Signoret



Simone Signoret, at left in her Paris home, starred with Laurence Harvey in 1959 in 'Room at the Top,' one of more than 40 films in which she appeared in a career beginning in 1942.

## Simone Signoret, 64, Dies in France; Actress Was Political Activist, Writer

The Associated Press

PARIS — Simone Signoret, 64, the French actress, writer and human rights activist who starred in more than 40 films, died Monday of cancer at her home outside Paris.

Miss Signoret's roles ranged from the golden-haired femme fatale in Jacques Becker's "Casque d'Or" (1951) to the aging prostitute in Moshe Mizrahi's "Madame Rosa," which won the 1977 Academy Award in the United States for best foreign film.

"She fought until the end. She died as she lived, with courage," said her daughter, Catherine Allegret. Miss Allegret said her mother died at her country home in Authenil-Authouillet, in the Eure region west of Paris.

Miss Signoret was married to Yves Montand, the singer and actor, for 34 years. They were one of France's most politically active celebrity couples.

Once ardent leftists, the couple gradually shifted toward more moderate politics, denouncing human rights abuses and the rise of racism in France.

Miss Signoret made one of her last public appearances this year at a street demonstration supporting an anti-racist youth movement.

President Francois Mitterrand sent a telegram to Mr. Montand, saying: "It is with sadness that France learns this morning of the death of Simone Signoret. From Casque d'Or to human rights, actress and writer, she spoke for more than 40 years to the hearts of the French people. In the name of all those who loved and respected her, in my personal name, I offer you my sad condolences."

France's culture minister, Jack Lang, said Miss Signoret "incarnated to perfection the stubborn fighter, defending until the end the most hopeless causes."

In the past decade, Miss Signoret shifted to writing.

In 1977, she reached the best-seller list with her memoirs "Nos talpas! Isn't What It Used to Be," which explained her political views and recounted her life with Mr. Montand.

Her "Adieu Volodia," published in January, was also a best seller. The 566-page novel about two immigrant Jewish families between the wars is laced with scenes out of her own life and Mr. Montand's.

Critics called Miss Signoret the complete actress, the rare talent who successfully negotiated the difficult transition from the romance and sex of youth to the boredom and anguish of middle-age.

She was catapulted to stardom with "Casque d'Or," in which she played a clever working-class beauty. She won an Oscar in 1960 for her portrayal of a sensual older woman in "Room at the Top," the film that brought her the best ac-

(Continued on Page 4, Col. 1)

## INSIDE

■ Shootings by British police touched off violence and raised disturbing questions. Page 2.

■ The Akali Dal's victory in voting in India's Punjab region raised hopes for peace. Page 2.

■ Pro-Syrian militias reported gains in their siege of Tripoli, Lebanon. Page 4.

■ The Parti Quebecois elected a new leader, Pierre-Marc Johnson, 39. Page 5.

■ Wine has furnished the occasion for a commendable exhibit in New York. Page 6.

**BUSINESS/FINANCE**

■ Japan's current-account surplus narrowed to \$5.49 billion in August from \$4.56 billion in July. Page 9.

**TOMORROW**

A look back at the early days of the United Nations, and the riveting issues that confronted the organization then.



## Protesters, Police Clash In Frankfurt, Other Cities

The Associated Press

FRANKFURT — Young leftists protesting a neo-Nazi party meeting and the death of an anti-Nazi demonstrator broke windows, wrecked cars and looted shops in 15 West German cities, the police said Monday.

More than 270 people were arrested in the disorders Sunday night and early Monday, and damage was estimated in the millions of dollars. The most violent disturbances took place in Frankfurt.

The unrest followed the death the previous night of a protester against a National Democratic Party meeting in Frankfurt. He was run over by a police vehicle.

Berlin police said that a similar protest by 200 people against the neo-Nazi party resulted in 20 arrests and caused extensive damage along the city's Kurfürstendamm shopping street.

The West German authorities said that young leftists had mounted violent protests during the early morning hours in Erlangen, Stuttgart, Göttingen, Cologne, Bielefeld, Münster, Wuppertal, Duisburg, Hannover and Oldenburg.

There also were demonstrations in Hamburg, Munich and Freiburg.

Officials said the protests in all 15 cities were set off by the neo-Nazi party meeting and the death of the protester.

In Frankfurt, a police spokesman said that 255 people had been taken into custody.

Most were released, the spokesman said, but two persons were kept in detention under suspicion of setting fire to a car dealership that caused 2 million Deutsche marks (\$747,400) worth of damage.

One person was being held on suspicion of looting, the spokesman said.

He said that eight police officers were slightly injured in Sunday's clashes in Frankfurt. He said the demonstrators damaged several police vehicles, including water cannons.

In Wuppertal, Münster and Duisburg, in North Rhine-Westphalia state, demonstrators damaged police cars and broke windows at several police stations.

About 250 stone-throwing protesters in Hannover shattered windows at six banks and a police station. In Oldenburg, three police stations and two patrol vehicles were damaged.

In Munich, the police arrested two persons who slashed tires on patrol cars in front of a police station.



Policemen in Frankfurt leading a protester away.

## U.K. Unionists Meeting Over Kinnoch, Scargill

Reuters

BOURNEMOUTH, England — Britain's top union leaders met Monday at the Labor Party conference to decide where they stand on a forthcoming clash between the party leader, Neil Kinnock, and the leader of the coal miners union, Arthur Scargill.

The five-day conference that opened Sunday has been dominated so far by Mr. Kinnock's bid to tame the party's left wing in an attempt to attract moderate voters.

The battle will be fought Wednesday when Mr. Scargill is to propose that a future Labor government pay back £1.5 million (\$2.1 million) in fines imposed on miners and their union during the yearlong strike that ended in March.

Mr. Scargill's National Union of Mineworkers needs a two-thirds majority in the debate to turn the proposal into Labor Party policy.

He narrowly won a similar vote at the conference of the Trades Union Congress earlier this month. The congress groups nearly 100 unions with 10 million members.

Mr. Kinnock plans to intervene in the debate and warn delegates that a vote for the miners was likely to be seen by the electorate as an unwelcome victory for the left.

The transport union was among those meeting Monday to decide whether they will back the miners' leader again. It alone controls 1,250,000 votes at the conference, where the count after most debates regularly exceeds six million.

The Daily Mirror newspaper, which supports Mr. Kinnock, said in an editorial Monday: "The Labor Party had better make up its mind this week whether it wants to be a party of power or a party of protest. It can't be both."

Mr. Scargill is only one of Mr. Kinnock's left-wing targets. He also has attacked Marxist leaders of the Labor council in Liverpool who are locked in a battle with the Conservative government over municipal finance.

Mr. Kinnock said Sunday that he would like to see the Marxists, members of the so-called militant tendency, out of the party.

The leadership won a substantial victory Monday when the conference overwhelmingly rejected moves to set up separate sections within the party for black and Asian members.

Black supporters of the proposal said it was the only way to involve ethnic minorities in the party.

Mr. Kinnock's deputy, Roy Hattersley, argued that Labor favored the creation of a genuinely multiracial society and must remain a party "that does not divide its members according to race."

Black supporters of the proposal said it was the only way to involve ethnic minorities in the party.

Mr. Kinnock's deputy, Roy Hattersley, argued that Labor favored the creation of a genuinely multiracial society and must remain a party "that does not divide its members according to race."

Black supporters of the proposal said it was the only way to involve ethnic minorities in the party.

Mr. Kinnock's deputy, Roy Hattersley, argued that Labor favored the creation of a genuinely multiracial society and must remain a party "that does not divide its members according to race."

Black supporters of the proposal said it was the only way to involve ethnic minorities in the party.

Mr. Kinnock's deputy, Roy Hattersley, argued that Labor favored the creation of a genuinely multiracial society and must remain a party "that does not divide its members according to race."

Black supporters of the proposal said it was the only way to involve ethnic minorities in the party.

Mr. Kinnock's deputy, Roy Hattersley, argued that Labor favored the creation of a genuinely multiracial society and must remain a party "that does not divide its members according to race."

Black supporters of the proposal said it was the only way to involve ethnic minorities in the party.

Mr. Kinnock's deputy, Roy Hattersley, argued that Labor favored the creation of a genuinely multiracial society and must remain a party "that does not divide its members according to race."

Black supporters of the proposal said it was the only way to involve ethnic minorities in the party.

Mr. Kinnock's deputy, Roy Hattersley, argued that Labor favored the creation of a genuinely multiracial society and must remain a party "that does not divide its members according to race."

Black supporters of the proposal said it was the only way to involve ethnic minorities in the party.

Mr. Kinnock's deputy, Roy Hattersley, argued that Labor favored the creation of a genuinely multiracial society and must remain a party "that does not divide its members according to race."

Black supporters of the proposal said it was the only way to involve ethnic minorities in the party.

Mr. Kinnock's deputy, Roy Hattersley, argued that Labor favored the creation of a genuinely multiracial society and must remain a party "that does not divide its members according to race."

Black supporters of the proposal said it was the only way to involve ethnic minorities in the party.

Mr. Kinnock's deputy, Roy Hattersley, argued that Labor favored the creation of a genuinely multiracial society and must remain a party "that does not divide its members according to race."

## Police Shootings, Riots Raise Disturbing Questions in U.K.

By Jo Thomas

New York Times Service

LONDON — Twice in five weeks the traditionally untroubled British police have shot an innocent member of a family during a raid on a house in search of someone else. Both shootings were described by the police as tragic accidents. Both touched off mob violence.

The shootings, now being investigated by the police, have raised serious questions among Britons about police training, weapons and procedures. The disturbances, which occurred in communities that were scarred by rioting four years ago and where there are many ethnic groups, have raised fundamental questions about what the British can or ought to do to bring peace to neighborhoods that residents describe as tinderboxes of unemployment and despair.

In Birmingham in August, John Shorthouse, a 5-year-old white child, was shot to death in his bed by policemen who broke into his family's apartment to search for his father in connection with an armed robbery. The police said the gun went off accidentally.

Hours later, a crowd wrecked two police cars and sent a constable to the hospital with head injuries. Two weeks later, in the Birmingham neighborhood of Handsworth, two days of rioting followed a confrontation between onlookers and policemen.

On Saturday morning in Brixton, Cherry Grove, 38, a black mother of six, was shot and seriously wounded in her bedroom. The police said it was an accident. A mob tried to burn down the police station, and a major riot ensued.

Although those involved in the violence in Birmingham and Brixton were whites, blacks and Asians, the question of race and racism inexorably turned up in the debate over why the riots occurred.

Enoch Powell, Parliament member of the Ulster Union party who

represented Down South, said after the Handsworth riots that the presence of blacks and Asians in the inner cities would lead to a Britain "unimaginably racked by dissension and violent disorder, not recognizable as the same nation it has been, or perhaps, a nation at all."

He said they should be offered generous terms to leave the country.

Prime Minister Margaret Thatcher, when asked about this suggestion, tersely rejected it. Many community leaders pointed out that the vast majority of the young adults in this group were born in Britain.

Only one in 10 British policemen carries a gun, but concern has been growing in recent years about the way in which the guns are used.

Leon Brittan, who was then home secretary, said he would consider whether more revisions in the firearms guidelines were needed after the Shorthouse child was shot to death in August in what the police called an accident.

In Handsworth, where an arrest was enough to set off serious violence, almost everyone interviewed recently said the root cause of the tension is unemployment.

More than 55 percent of the work force in Handsworth, once a

booming industrial community, has been cut of a job for at least a year. Except for Asians who work in family businesses, 95 percent of the nonwhites leaving school cannot find work for two years, according to one school official.

Since 1981, officers have been encouraged to cultivate contacts with community groups, schools, and sports teams in areas they police.

At the same time, Guy Cumberbatch, a psychologist who has studied the police in Handsworth, said: "Police officers tend to be more attracted to arrests than crime prevention. Promotion is based on that. In one study of 1,000 commendations, not a single one was for crime prevention."

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.



Michael Grove, 22, whose mother was accidentally shot by police Saturday, was arrested on firearms charges and his bail was set Monday. He is flanked by his attorney, Paul Boateng, and his grandmother, Mrs. Euphemia Hamilton.

booming industrial community, has been cut of a job for at least a year. Except for Asians who work in family businesses, 95 percent of the nonwhites leaving school cannot find work for two years, according to one school official.

Since 1981, officers have been encouraged to cultivate contacts with community groups, schools, and sports teams in areas they police.

At the same time, Guy Cumberbatch, a psychologist who has studied the police in Handsworth, said: "Police officers tend to be more attracted to arrests than crime prevention. Promotion is based on that. In one study of 1,000 commendations, not a single one was for crime prevention."

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

During a seven-hour rampage on Saturday, 149 persons were arrested, four buildings were heavily damaged and the streets were littered with more than 30 burned-out cars.

Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Grove, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

Gangs of youths, most of them black, hurled rocks, bricks and other missiles at police in sporadic violence Sunday night. The police said 48 persons were arrested.

## WORLD BRIEFS

### 5 NATO Allies Approve Copter Study

BRUSSELS (Reuters) — Five West European NATO nations have agreed to proceed with a feasibility study in their effort to produce a joint naval and tactical transport helicopter in the 1990s, an spokesman for the North Atlantic Treaty Organization said Monday.

National armaments directors of France, West Germany, Italy, the Netherlands and Britain signed a memorandum of understanding Friday for a 14-month feasibility and pre-definition study to develop the design of the helicopter, designated the NH-90, for the years 1994-2000.

A NATO statement said that about 700 medium-sized helicopters, weighing eight to nine tons, were expected to be produced in two versions, one to be carried on a NATO frigate currently being developed and the other for army transport.

### Iraqi Report Attack on Kharg Island

BAGHDAD (Reuters) — Iraq said Monday that its warplanes had launched another attack on Iran's Kharg Island oil terminal in the Gulf and attacked a large naval target, the term usually applied to oil tankers or large merchant ships.

A military spokesman said that the "destructive" attack, the 17th since mid-August, was made "to keep the vital facility out of service so long as the war continues."

Gulf shipping sources say the repeated attacks on Kharg have seriously hampered Iran's capacity to keep up the oil exports needed to finance its war with Iraq.

### Uruguayan Warns of EC Latin Role

MADRID (Reuters) — President Julio Maria Sanguinetti of Uruguay, in an interview published Monday, accused the European Community of being a major destabilizing factor in Latin America.

"The greatest threat to our young democracies is the commercial war industrial powers are waging against us," he said in an interview published in the Spanish newspaper El Pais. "The European Community today has a great destabilizing power over Latin America."

Mr. Sanguinetti, who begins an official visit to Spain on Wednesday, said that he and other Latin American leaders urged Prime Minister Felipe Gonzalez last week in the United Nations to be the spokesman for the region in the European Community.

Philippines Reports Malaysian Attack

ZAMBOANGA CITY, Philippines (AP) — Military police reported Monday that four Malaysian gunboats and three helicopters attacked a Muslim community on a tiny southern Philippine island, killing several residents.

The constabulary regional command in Zamboanga City said "53 civilian residents were killed or believed taken hostage by Malaysian soldiers" in the attack Thursday on Madaana Island in the Tawi-tawi area. Officials said they believed the attack was in retaliation for a state of Sabah in which 11 persons were killed.

The report said the gunboats and helicopters bombarded the island, which is 650 miles (about 1,000 kilometers) south of Manila, then sent ashore soldiers who allegedly looted and burned houses.

Spain to Expel Officials of Polisario

MADRID (Reuters) — Spain ordered Polisario Front representatives Monday to leave the country within three days as six fishermen seized by the guerrillas off Western Sahara arrived home.

"The government has taken a very serious view of the attack," Foreign Minister Francisco Fernandez-Ordóñez said on Spanish radio, "and has resolved to expel all members of the Polisario and to close their offices in Spain." The front said it had attacked the vessels by mistake, taking them for Moroccan naval boats, and warned Spain to keep its navy clear of the coast of Western Sahara, where the guerrillas seek an independent state.

Reagan Hints at New Post for Heckler

WASHINGTON (AP) — President Ronald Reagan said Monday he wanted to talk to Margaret M. Heckler, the secretary of health and human services, about something new he might like her to do, but denied he was going to dismiss her. She is the head of the government's largest department.

Mr. Reagan denied reports that his chief of staff, Donald T. Regan, had won presidential approval to remove Mrs. Heckler from the cabinet. But saying he would not dismiss her "does not mean I don't have something else that I would want her to do," he said.

For the Record

At least 30 people in Benin have been killed in floods following two weeks of torrential rains that drove 200,000 people from their homes, the government said.

About 900,000 utility customers in the northeastern United States were still without electricity Monday, and officials said it could take a few more days to restore power after the hurricane designated Gloria. The storm Friday is blamed for at least 16 deaths and \$47 million in damage from North Carolina to Maine.

A bomb exploded in Luxembourg early Monday on top of a swimming pool complex, causing about \$750,000 worth of damage but no injuries, the police said. A police official said it was the most violent of 10 bomb blasts in Luxembourg since May.

(AP)

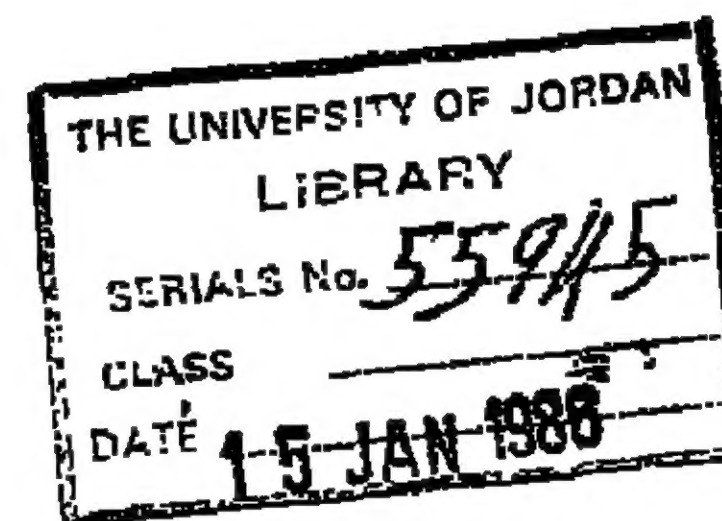
## UN Health Organization to Prepare Worldwide Strategy to Combat AIDS

New York Times Service

GENEVA — Officials at the World Health Organization said they have won the medical and financial support needed to draft a worldwide strategy for combating acquired immune deficiency syndrome, or AIDS.

Dr. Fakhray A. Assaad, chief of the organization's division of communicable diseases, said the Geneva-based organization was about to prepare a program to coordinate research and information-gathering





## If this is your current personal computer, you're not playing your cards right.

Handy little things, those file cards. There's nothing better for keeping track of recipes.

**B**ut when you use them to store business information – such as the addresses of your best clients, or stock items – something strange happens.

They tend to multiply. And unfortunately, when you need them most, some cards have a nasty habit of getting lost in the shuffle. Trying to analyse buying patterns with those scraps of paper is a lost cause.

It's time to change your game plan, with an IBM Personal Computer.

The IBM PC will bring a needed bit of order to your desk, by changing the way you work with information.

**I**magine that a client calls with a question about charges for an order placed last month. How long is he put on hold while you rummage through piles of paper looking for answers?

With an IBM PC, you tap a few keys, and in seconds you have the numbers you need. What's more, they will be as precise, up-to-date and well organised as the input.

That way your client avoids listening to background music while you search for data.

**I**f you happen to be responsible for stock control, consider the IBM Personal Computer XT. Its ten-megabyte fixed disk can store information on 100,000 different products.

All those facts and figures (what's selling and what's simply sitting on the shelf, for example) reside inconspicuously inside the XT, until you need them.

Now, once the people in your office discover that the IBM PC has allowed you to toss all your file cards into the dustbin, everyone is going to want one.

**S**o much the better. Because then you can connect them.

And send memos, exchange files, and just generally keep everyone up-to-date, electronically.

So throw away those bad cards and visit one of our dealers.

For further information write to IBM United Kingdom International Products Limited, West Cross House, 2 West Cross Way, Brentford, Middlesex TW8 9DY, England (Telex 27748).





Viktor P. Karpov said in Geneva that the Soviet Union is seeking 'drastic solutions.'

## Simone Signoret, 64, Dies in France

(Continued from Page 1)

Simone Signoret began her film career in 1942 under the Nazi occupation as an extra in Jean Boyer's "Le Prince Charmant." (Prince Charming). To avoid deportation, she dropped the name Kaminker, and took her mother's non-Jewish maiden name. In 1944, she married Yves Allégret, the director.

Blond, sensuous and raspy-voiced, she incarnated prostitutes in such films as "Macadam" (1946) "Dédée d'Anvers" (1947) and "Manège" (1949).

"Between her tears and laughter, intimate sentiments come through," Didier Decoin, the film critic and novelist, once said. "She doesn't play a role, she lives it."

Miss Signoret and Mr. Allégret divorced in 1949, the year she met Mr. Montand. They wed in 1951.

France, and she grew up in the Paris suburb of Neuilly.

While World War II was breaking out in 1939, her father, a Jew, fled to England, while Simone and her mother remained in Brittany, taking in refugees. Simone returned to Paris in 1940 and taught Latin and English in a junior high school before finding a secretarial job at a fascist newspaper, Le Petit Parisien. She stayed eight months.

Meanwhile, she had become a regular at the Café de Flore, a Left Bank gathering spot for young writers, actors and artists. There she would meet and befriend the poets, Boris Vian and Jacques Prévert, the artists, Alberto and Diego Giacometti, and the philosophers, Jean-Paul Sartre and Simone de Beauvoir, whose leftist political views she shared.

Meanwhile, she had become a regular at the Café de Flore, a Left Bank gathering spot for young writers, actors and artists. There she would meet and befriend the poets, Boris Vian and Jacques Prévert, the artists, Alberto and Diego Giacometti, and the philosophers, Jean-Paul Sartre and Simone de Beauvoir, whose leftist political views she shared.

## A Soviet Lead in Space Defenses Appears Doubtful

By Walter Pincus  
Washington Post Service

WASHINGTON — Last week, in the latest administration assertion that the Soviet Union is far ahead of the United States in developing space defense technology to destroy enemy nuclear missiles, the White House national security adviser, Robert C. McFarlane, said that Moscow "has the most advanced" space defense program "on the face of the Earth."

Not only does that contradict Soviet assertions of a U.S. edge in space weapons, it is at odds with a variety of Defense Department and U.S. intelligence assessments of which country is leading in space weaponry.

Just as the Reagan administration sometimes seems given to hyperbole in describing the Soviet space defense program, Moscow is guilty of understatement in denying that it even has thoughts of strategic defenses. As recently as Friday, a spokesman for Soviet Foreign Minister, Vladimir Lukin, said in Washington that Moscow "does not have any space weapons" and "is not engaged in research on space attack weapons."

In fact, while the Soviet Union has extensive defenses against some kinds of U.S. strategic weapons, there is little evidence that Moscow has surpassed the United States in the sort of computer technology and exotic weapons fundamental to a comprehensive shield against enemy nuclear warheads.

The Soviet strategic defense program is primarily focused on count-

ering U.S. bombers and cruise missiles, weapons sometimes referred to as "air breathers" as they remain in the atmosphere, unlike intercontinental missiles.

U.S. defense experts agree that the bulk of the past Soviet strategic defense effort has gone into building thousands of air defense radars, anti-aircraft missiles and tens of thousands of jet fighter-interceptors.

Nonetheless, the U.S. Air Force thinks that its new B-1B bomber and cruise missiles, which hug the terrain and are difficult to detect, would be able to penetrate those defenses for many years to come. Consequently, Soviet hegemony in this area is not considered particularly threatening by most U.S. analysts.

To defend against some U.S. missile warheads, the Russians also have put great emphasis on building a traditional, ground-based anti-ballistic missile system around Moscow, much like the one abandoned as obsolete by the United States in 1976.

Yet this Soviet effort is fundamentally dissimilar from the U.S. Strategic Defense Initiative, as the space defense program is formally known, which is trying to determine the possibility of a comprehensive and defensive "umbrella" based in space.

In this more sophisticated concept of space defense research, recent testimony to Congress casts doubt that the Russians have any lead.

Last spring, for example, the U.S. Air Force told a House Appropriations subcommittee that, despite years of research on lasers

and particle beams, which someday may be used to shoot down incoming warheads, the Soviet Union has "no identifiable lead in the applications of these technologies to a space-based strategic defense."

The undersecretary of defense for research, Donald H. Hicks, also told Congress in his annual statement this year that the Soviet

have the potential to give them an advantage for some SDI-related tasks.

The Russians also "have very extensive networks" that would allow production of radars critical for surveillance, targeting and tracking in any future space defense system, the two added. But they pointed out that "both the U.S. and the

have prototypes for ground-based lasers for ballistic missile defense. Testing of components for a large-scale deployment system could begin in the early 1990s."

If the Russians "skip some testing steps," the publication adds, a complete ground-based laser system designed to shoot down incoming warheads could be ready for deployment "by the early-to-mid 1990s."

A Central Intelligence Agency report to Congress in June also expressed concern about Soviet efforts to develop such a system, but concluded that it "probably" could not come until "after the year 2000."

Other U.S. government statements on Soviet research suggest how tricky forecasting can be. In "Soviet Military Power," for example, the prospect of testing a relatively limited Soviet "space-based particle beam weapon intended only to disrupt satellite electronic equipment" was forecast for "the early 1990s."

The CIA, in a June 26 statement to a Senate Appropriations subcommittee, predicted that the "Soviets will eventually attempt to build a space-based particle beam weapon, but added that the "technical requirements are so severe that we estimate there is a low probability they will test a prototype before the year 2000."

The bulk of the present Soviet ballistic missile defense effort has been directed at what analysts call the "traditional" anti-ballistic missile approach. This consists of land-based radars that direct land-based launchers capable of firing a missile at an incoming warhead.

Just as the Reagan administration seems given to hyperbole in describing the Soviet space defense program, Moscow is guilty of understatement in denying that it even has thoughts of strategic defenses.

Union does not surpass the United States in any of the 20 "basic technologies that have the greatest potential for significantly improving military capabilities in the next 10 to 20 years."

Lieutenant General James A. Abrahamson, who heads the research program, and John K. Sellers, chief of the Defense Intelligence Agency's strategic defense branch, in congressional testimony also seemed relatively sanguine about U.S. advantages in advanced technology.

The United States, they said, had a "substantial lead" over the Soviet Union in "the key technology of computers" needed for battle management of a space defense system. They added, however, that the Russians "have a strong program in optical computers which could

Soviets lead in some aspects" of radar technology.

General Abrahamson described the Soviet Union as ahead in "land-based lasers and perhaps potentially ahead of us — I don't know for sure — in the area of neutral particle beam technology," which potentially could be used in space defense.

Experts agree that the Soviet Union has two ground-based lasers at their Saryshagan test range. In the past, the lasers have been used to baffle or blind U.S. satellites orbiting overhead. But there is no conventional wisdom on how threatening such devices could be.

The Pentagon publication "Soviet Military Power" states that "by the late 1980s, the Soviets could

## Reagan, Hussein Back Direct Jordan-Israel Talks

United Press International

WASHINGTON — President Ronald Reagan met for nearly an hour Monday with King Hussein of Jordan and agreed to work for direct negotiations between Jordan and Israel.

But the two leaders disagreed on whether the peace talks should be under an international framework that would include the Soviet Union. The United States has urged bilateral talks while Jordan has supported an international conference.

Neither Mr. Reagan nor Hussein mentioned Palestinian participation in the peace talks.

"The time to begin is now," Mr. Reagan said in farewell remarks with the king by his side.

Hussein repeated his pledge made last week before the UN General Assembly, saying: "We are prepared to join all parties in assuring a negotiated settlement free of belligerence and hostile acts."

Mr. Reagan said, "We have just had a very productive meeting. He mentioned the proposal for a \$1.9-billion arms package for Jordan which was submitted to Congress last week, and said, 'These arms are important in meeting Jordan's proven defense needs and as

evidence that those who seek peace will not be left at the mercy of those who oppose it.'"

"But peace, not arms, has been the focus of our discussions with our Jordanian friends," Mr. Reagan said. "All share the same objective, direct negotiations under appropriate auspices before the end of this year."

He added, "Our discussions were as frank and honest as our friendship is deep."

Hussein said: "I have reiterated that Jordan's commitment to a negotiated settlement of the Jordan-Israel conflict within the context of an international conference to implement [UN] Resolution 242" that provides for peace with Israel in return for occupied Arab lands.

"I have repeated to the president what I said to the United Nations three days ago," he said, adding that he referred to "Jordan's unwavering condemnation of terrorism, whatever its source."

The statement on terrorism, sources said, was apparently requested by the United States in order to reassure Congress of Jordan's opposition to it.

## Syrian Allies See Gains in Tripoli Raid

Reuters

BEIRUT — The defense of Tripoli by Muslim fundamentalists appeared to weaken Monday as pro-Syrian militias reported significant advances on the third day of their assault on the northern Lebanese city.

The attackers said a 300-man force was besieging the heavily defended port area.

Spokesmen for two of the leftist militias said attacks began before dawn with artillery support from Syrian-held hills and penetrated defense lines at the city's southern edge and in the northeast.

Communications with Tripoli were cut for the second day and it was not possible to verify the reports. The militias had acknowledged during the first two days of fighting that they had failed to advance very far.

Four Syrian-backed militias launched a drive against the Islamic group, the Unification, or Ta'weed, movement, on Saturday after it rejected proposals for Syrian troops to enter and pacify the city.

Challenging Syrian influence in Lebanon, the leader of Ta'weed, Sheikh Saad Shaban, said Syria was preparing a massacre in Tripoli and his men would only disarm when other militias did.

Details of casualties have been hard to obtain since the assault began. Before that, more than 200 people were killed and 1,000 wounded in fighting that caused 400,000 people to flee Tripoli.

The Lebanese government ordered Monday the distribution of thousands of blankets and food rations among the refugees.

The pro-Syrian Arab Democratic Party said its men broke through Ta'weed defenses in the northeast early Monday. A spokesman in Beirut for the Syrian National Socialist Party said its men pushed forward in the south.

Details of casualties have been hard to obtain since the assault began. Before that, more than 200 people were killed and 1,000 wounded in fighting that caused 400,000 people to flee Tripoli.

One indicator, contracts for capital equipment, was unchanged from the July level.

In another assessment, the National Association of Business Economists predicted Monday that the economy would grow an annual 2.2 percent this year, rebounding only slightly to 2.7 percent growth in 1986.

In an even more ominous assessment, the association said 52 percent of the 350 economists who responded to the latest survey believed that the country would be in a recession by the end of 1986.

Kathleen Cooper, vice president of the association, said the majority of economists felt that the federal government's huge budget deficits would derail the current recovery in the next 15 months. (AP, UPI)

In an even more ominous assessment, the association said 52 percent of the 350 economists who responded to the latest survey believed that the country would be in a recession by the end of 1986.

Kathleen Cooper, vice president of the association, said the majority of economists felt that the federal government's huge budget deficits would derail the current recovery in the next 15 months. (AP, UPI)

In an even more ominous assessment, the association said 52 percent of the 350 economists who responded to the latest survey believed that the country would be in a recession by the end of 1986.

Kathleen Cooper, vice president of the association, said the majority of economists felt that the federal government's huge budget deficits would derail the current recovery in the next 15 months. (AP, UPI)

In an even more ominous assessment, the association said 52 percent of the 350 economists who responded to the latest survey believed that the country would be in a recession by the end of 1986.

Kathleen Cooper, vice president of the association, said the majority of economists felt that the federal government's huge budget deficits would derail the current recovery in the next 15 months. (AP, UPI)

In an even more ominous assessment, the association said 52 percent of the 350 economists who responded to the latest survey believed that the country would be in a recession by the end of 1986.

Kathleen Cooper, vice president of the association, said the majority of economists felt that the federal government's huge budget deficits would derail the current recovery in the next 15 months. (AP, UPI)

In an even more ominous assessment, the association said 52 percent of the 350 economists who responded to the latest survey believed that the country would be in a recession by the end of 1986.

Kathleen Cooper, vice president of the association, said the majority of economists felt that the federal government's huge budget deficits would derail the current recovery in the next 15 months. (AP, UPI)

In an even more ominous assessment, the association said 52 percent of the 350 economists who responded to the latest survey believed that the country would be in a recession by the end of 1986.

Kathleen Cooper, vice president of the association, said the majority of economists felt that the federal government's huge budget deficits would derail the current recovery in the next 15 months. (AP, UPI)

In an even more ominous assessment, the association said 52 percent of the 350 economists who responded to the latest survey believed that the country would be in a recession by the end of 1986.

Kathleen Cooper, vice president of the association, said the majority of economists felt that the federal government's huge budget deficits would derail the current recovery in the next 15 months. (AP, UPI)

In an even more ominous assessment, the association said 52 percent of the 350 economists who responded to the latest survey believed that the country would be in a recession by the end of 1986.

Kathleen Cooper, vice president of the association, said the majority of economists felt that the federal government's huge budget deficits would derail the current recovery in the next 15 months. (AP, UPI)

In an even more ominous assessment, the association said 52 percent of the 350 economists who responded to the latest survey believed that the country would be in a recession by the end of 1986.

### AUTO CONVERSION

**EPA / DOT CONVERSIONS**

- Customs brokerage/bonding service
- Pick-up & delivery anywhere in the Eastern U.S. & Texas
- Professional work using only the highest quality components
- Guaranteed EPA / DOT approval
- CHAMPAGNE IMPORTS INC., 2294 North Penn Rd., Harrisburg, PA 17140, USA Tel: 717-622-6852

**AUTOMOBILES**

MERCEDES 500 SE 1984, 25000 km, New 10/84, engine, automatic, leather, All options, Swiss specification, DMV \$20,000. Tel: 417-25-35412

**AUTOS TAX FREE**

**TRASCO INTERNATIONAL**

L.H.D. Mercedes, Tax Free Licenses, 30-44, Airconditioned cars and limousines, Coast to coast, Other makes & makes

Over 100 units in stock, World wide delivery, Direct from source, D.O.T. & E.P.A.

Tel: London 1221 (1) 429 7777, Tel: 11 955416, FAX: 11 955416

Trasco London Ltd, 65-67 Park Lane, London W1, 1, England

Switzerland: UKW Germany

### INTERNATIONAL CLASSIFIED

(Continued From Back Page)

**AUTOS TAX FREE**

**TRANSCO**

THE LARGEST SHOWROOM AND STOCK IN EUROPE

Keeping a constant stock of more than 300 brand new cars of all European & Japanese makes competitively priced. Tax free delivery, insurance, and finance. Send for multicolor free catalogue.

Transco SA, 95 Neerlandsdreef, 2000 Antwerpen, Belgium

Tel: 323/542 6240 Telex: 32507 Trans

**ACCESS USA**

One Way Round Trip

New York	11500	52900
Los Angeles	11500	52900
Chicago	11500	52900
Miami	11500	52900
Orlando	11500	52900
Dallas	11500	52900
Montreal	11500	52900

15% discount on 1st day

PARIS Tel: (1) 221 46 94

NY Tel: (212) 675 91

**NEW MERCEDES**

PORSCHE, for immediate delivery FROM STOCK

Best service, shipping, insurance, bank, conversion in USA

**RUTE INC.**

TAUNUSSTR. 52, 6000 FRANKFURT

19th Century, West Side, 27th, 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th

**W. LAARHOVEN B.V.**

PO Box 2178, 5600 CD Eindhoven

40-424055, Tel: 51213 HELIA NL

### HOLIDAYS & TRAVEL

**RESERVED FOR YOU**

Small space advertising in the International Herald Tribune is less expensive than you might imagine.

For price details call these numbers or your nearest IHT advertising representative.

Paris: 747.46.00  
London: 836.4802  
New York: 752.3890  
Frankfurt: 52.67.55  
Hong Kong: 52.40906

**PORTUGAL**

7 DAYS INCLUSIVE TOURS FROM PARIS TO:

US\$1000 / SP1000  
ESTORIL / CASCAIS / SP1000  
COSTA VERDE (PORTUGAL) / SP1000  
ALGARVE / SP1000  
MADRID / SP1000

Please Contact  
Paris Tel: 742.55.57, Telex: 220505

**FROM ZURICH TO:**

US\$1000 / SP1000  
ESTORIL / CASCAIS / SP1000  
COSTA VERDE (PORTUGAL) / SP1000  
ALGARVE / SP1000  
MADRID / SP1000

Please Contact  
Geneva 357.4110, Telex: 22709 ICP

For other programs and detailed information, call your TRAVEL AGENT

PARIS: 747.46.00  
LONDON: 836.4802  
NEW YORK: 752.3890  
FRANKFURT: 52.67.55  
HONG KONG: 52.40906

### ESORTS & GUIDES

**INTERNATIONAL ESCORT**

USA & WORLDWIDE

Head Office in New York  
330 W. 5th St., NYC 10019 USA

212-765-7896  
212-765-7754

MAJOR CREDIT CARDS AND CHECKS ACCEPTED

Private Memberships Available

This award-winning service has been featured on the top 10 most exclusive Escort Services by USA & International news media including radio and TV.

**USA & TRANSWORLD**

**A-AMERICAN**

EVERYWHERE YOU ARE GO...  
1-813-921-7946  
Call free from U.S. 1-800-323-2822  
Call free from Europe 1-800-222-2822  
Lower, Escort, Escorts + 24h book!

**CAPRICE**

**ESCORT SERVICE**

**IN NEW YORK**

TEL: 212-737 3291.

**LONDON KENSINGTON**

ESCORT SERVICE

10 KENSINGTON CHURCH ST. W8  
Tel: 937 9136 OR 937 9133  
All major credit cards accepted.

**LONDON BELGRAVIA**

ESCORT SERVICE

Tel: 736 5877.

### ESORTS & GUIDES

**LONDON**

Portman Escort Agency  
67 Grafton Street, London W1  
Tel: 486 5724 or 486 1158  
All major credit cards accepted

**\* LONDON \***

**EXECUTIVE ESCORT SERVICE**

01-229 2300 or 01-229 4794

**ARISTOCATS**

London Escort Service  
128 Victoria Road, W1  
All major credit cards accepted  
Tel: 437 47 41 / 4742  
12 noon - midnight

**HEATHROW**

\* AND LONDON \*

\* ESCORT SERVICE 01-834 6601 \*

**ANTOINETTE'S**

ESCORT SERVICE  
(212) 517-9696

**MAYFAIR CLUB**

GUIDE SERVICE from Paris  
ROTTENHAM 01-10-254115  
THE HAGUE 01-70-50 79 95

**\*\* GENEVA-FIRST \*\***

DAILY ESCORT SERVICE  
Tel: 022/32 34 18  
+ WEEKEND + TRAVEL

**\* JASMINE \***

AMSTERDAM ESCORT SERVICE  
020-546553

**ZURICH-GENEVA**

GINGER'S ESCORT SERVICE  
Tel: 01/363 08 64 - 022/34 41 84

### ESORTS & GUIDES

**ZURICH**

Cavalier Escort Service  
Tel: 01/253 61 74

**ZURICH**

AUSCH ESCORT SERVICE  
Tel: 01/47 55 82

**CHELSEA ESCORT SERVICE**

51 Broadway, London SW3  
Tel: 01 584 5513 2747 (412 pm)

**ROME CLUB EUROPE ESCORT**

128 Victoria Road, W1  
All major credit cards accepted  
Tel: 437 47 41 / 4742  
12 noon - midnight

**\* AMSTERDAM SHE \***

\* ESCORT & GUIDES, 020-227 637 \*

**GENEVA + BEAUTY \***

ESCORT SERVICE, 022/29 51 30

**GENEVA ESCORT**

Service, Tel: 46 11 58

**VIENNA ESCORT - AGENCY**

Tel: 37 52 37

**FRANKFURT AREA, ISABELLE'S**

made and made bilingual Escort and Travel Service. Tel: 069-62 86 05. Credit cards accepted.

**FRANKFURT + SURROUNDINGS**

Caroline's Escort + Travel Service. English, French, German, Spanish. Tel: 069/43 57 53.

**GENEVA - HELEN'S ESCORT SERVICE**

Tel: 36 29 22

**ZURICH LOBIN ESCORT**

Service, Tel: 01/ 69 58 71

**LONDON TOP ESCORT SERVICE**

Heathrow, American Express, 32 8343

**0211/74 50 56, DUESSELDORF**

Colonne - Bonn - Essen - Cologne - Agency. Credit cards accepted.

### ESORTS & GUIDES

**DUESSELDORF-COLOGNE-BONN**

Penelope's Escort Service. Tel: 0211/49 97 34.

**AMSTERDAM BERNHARDTE**

Male and Female Escort Service. Tel: 020 227 637.

**MILAN ESCORT & GUIDE SERVICE**

Italian speaking. Tel: Milan 02 281 2817.

**DIANA ESCORT SERVICE**

London & Zurich. Tel: 01 381 0008.

**DUESSELDORF - COLOGNE - BONN**

Escort Service. Tel: 0211 59506.

**MILANO + LUGANO ESCORT**

Service, guide and travel service. Tel: 02 581 6535.

**VIENNA ESCORT SERVICE**

6th Century. Tel: 01 584 5513 2747 (412 pm).

**VIENNA STOLE ESCORT SERVICE**

Tel: 56 78 35.

**MADRID IMPACT**

escort and guide service. Madrid. Tel: 91 42 41 80.

**FRANKFURT ESCORT SERVICE**

Concord. Tel: 53 31 71.

**LONDON TRUDE ESCORT SERVICE**

Tel: 01-373 8849.

**LONDON ESCORT AGENCY**

Tel: 925 533.

**LONDON ESCORT SERVICE**

Tel: 927 6574.

**VIENNA VIP ESCORT SERVICE**

Tel: 01 584 5513 2747 (412 pm).

**ATHENS ESCORT AND GUIDE**

Service. Tel: 0030194.

**CHARLENE GENEVA GUIDE SERVICE**

Tel: 020 227 637.

**GENEVA - CLIO ESCORT SERVICE**

Tel: 022 47 03.

**MADRID SELECTIONS ESCORT**

Service. Tel: 01/1507 Credit Cards.

**CATHERINE ESCORT SERVICE**

London 01-402 7187.

**FRANKFURT LINA'S Escort Service**

English-French-German. Tel: 069/43054.

**EUROPEAN ESCORT SERVICE**

Hertz. Tel: 069/43 57 53.

**LONDON FRENCH/GERMAN**

Escort Service. Tel: 381 6852.

**LONDON PARK LANE Escort Service**

Tel: 01-221 0293.

**FRANKFURT - EVA'S ESCORT & Travel Service**

Tel: 069/43 57 53.

**DUESSELDORF/ESSEN/COLOGNE**

Escort Service. Tel: 0211/ 32 31 41.

**DOMINIA AMSTERDAM ESCORT**

Guide Service. Tel: 020/ 726242.

**FRANKFURT + AREA Charming Escort Service**

069-346553. Credit Cards.

### ESORTS & GUIDES

**LONDON LUXE GUIDE & ESCORT**

Service. Tel: 01 381 0008.

**MUNICH - HILGERTY & TANJA**

Escort Service. Tel: 01 381 0008.

**NEW YORK RENEE'S Escort Service**

Tel: 212 561 1948.

**BRUSSELS, ANTOINETTE NATASCHA**

Escort Service. Tel: 02 52 23 05.

**SUPERSTAR ESCORT SERVICE**

London. Tel: 01 381 0008.

**AMSTERDAM JEANET Escort Service**

Tel: 020 227 637.

**FRANKFURT "TOP TEN" Escort Service**

Tel: 069/43 57 53.

**MUNICH - PRIVATE ESCORT**

Guide Service. Tel: 01 381 0008.

**BRUSSELS CHANTAL ESCORT**

Service. Tel: 02 52 23 05.

**CESTIA, LONDON SCANDINAVIAN**

Escort Service. Tel: 020 227 637.

**FRANKFURT POLAND ESCORT**

Service. Tel: 069/43 57 53.

**FRANKFURT SONIA ESCORT**

Service. Tel: 069/43 57 53.

**MUNICH - ESCORT SERVICE**

Tel: 089 35 26 or 089 35 94 212.

**SAMANTHA ESCORT SERVICE**

London. Tel: 01 381 0008.



# School Desegregation in Boston: A Decadelong Social Experiment That Backfired

By Margot Hornblower

Washington Post Service

BOSTON — The metal detectors and police sharpshooters are long gone from South Boston High. These school buses into white neighborhoods.

More than a decade has passed since Boston's anti-busing riots, and on the surface this city, booming with new skyscrapers and modern ideas, appears to have recovered from one of the ugliest school integration battles in the nation.

But 11 years after U.S. District Judge W. Arthur Garrity Jr. took control of the schools, charging that elected officials had deliberately operated a dual system, the nation's oldest school system is more racially segregated than ever.

Regardless of what busing has achieved elsewhere in the country, in Boston it is widely viewed by blacks and whites as a social experiment that backfired.

This month, Judge Garrity issued final orders in the case, turning over day-to-day operations to the now-integrated Boston School Committee. But he left behind 415 orders, and a system still beset with problems.

School enrollment has fallen from 94,000 pupils to 56,000, and a system that was 61 percent white in 1974 is now 73 percent minority.

During a decade of academic and administrative chaos, test scores plunged, the drop-out rate soared, 70 schools closed and more than 1,000 teachers were laid off. In 11 years, the system has had eight superintendents. While there has been slow improvement in the last three years, few of those who abandoned the system for parochial or suburban schools show signs of returning.

Mayor Raymond L. Flynn, who has five children in parochial schools and one at an experimental public school, said, "Parents, black and white, took their kids out of school, because they didn't see a future for public education."

Even the most unreconstructed busing critics had to agree with Judge Garrity that, in 1974, Boston schools were in need of reform. School districts had been gerrymandered to separate the races. Of 150 elementary schools in 1973, the court found that 62 were more than 96 percent white, and 32 were more than 85 percent black.

But when the city's all-white school committee refused to draw up a busing plan — a resistance unprecedented

among northern cities subjected to court-ordered busing — Judge Garrity brought in experts who devised a plan so inflexible, and so indifferent to the sensitivities of the city's insular neighborhoods, that it sparked a rebellion.

"The discrimination was stunning," said Ellen Guiney, head of City-wide Education Coalition, a local civic group. "The entrance of the judge was a good thing in that it wrested the school system away from the Irish and Italian politicians who viewed it as theirs for patronage and theirs for their children, but who weren't willing to give blacks the same chance."

However, Miss Guiney added, "In hindsight, the plan the judge imposed was disastrous" and "disruptive and cataclysmic."

Judge Garrity's plan paired South Boston, poor and Irish, with Roxbury, poor and black. Even communities that were relatively well-integrated were forced to bus their children across town, according to a strict mathematical formula.

Boston was given little time to adjust to Judge Garrity's orders, issued in June 1974 and imposed the following September.

"The way the whole thing was handled created a feeling

of despair," Mr. Flynn said. "The government provided no role for parents, black or white. The political process broke down. If there had been greater community and parental dialogue, the results would have been much different."

Some sociologists argue that the schools would have become majority black and Hispanic, even without busing. However, the city as a whole, while it has lost population, is still more than 70 percent white.

At South Boston High, the only school to be placed directly under court receivership in the history of school desegregation, Jerome Winegar, the court-installed principal, stands in the marble lobby each morning as buses discharge hundreds of black, Hispanic and Cambodian youngsters.

"When I came here nine years ago, there were metal detectors, and 90 police officers in the halls," to protect students from racial violence, Mr. Winegar said, "but I haven't heard a racial slur in six years."

The school, which serves mostly poor students from public housing projects, is 37 percent black, 31 percent white, 18 percent Hispanic and 14 percent Asian, he said. Before Judge Garrity's orders, South Boston High was

all white, an overcrowded, dilapidated school that was focal point for "Southie," as the neighborhood calls it. Now, only 300 of Southie's 1,500 high school-age students go there.

Throughout the system, "sports and extracurricular activities went down the drain" after busing, said I. Foreman, public information director of schools. "Boston's teams were once class A. Now they're class E. The play Martha's Vineyard and Cuttyhunk," rural enclave Boston's public schools still remain a place for people who cannot afford to go elsewhere. Sixty percent of pupils come from families on welfare. Three-quarters live in single-parent homes.

"The cynicism and the injustice was that anyone who had the money could get out of it," said William Bulge, president of the Massachusetts Senate, who has taken 11 of his nine children out of the public schools.

"The moral high ground," he said, "was taken by those whose children were unaffected, the judge who lives in Wellesley, the Globe editors who live in Brookline and Lincoln, the court experts who live in Concord and Lexington," all wealthy suburbs outside the city.



Roberto D'Aubuisson

## Ruling Party In Quebec Elects Leader

By Christopher S. Wren

New York Times Service

MONTREAL — Pierre-Marc Johnson, a political moderate who favors independence for Quebec only as a last resort, has been elected leader of the Parti Québécois. He succeeded Premier René Lévesque, who has stepped down.

Under Canada's parliamentary system, Mr. Johnson, as leader of the majority party, also is to succeed Mr. Lévesque as the premier of Quebec. He is to be sworn in this week.

Mr. Johnson, 39, is the son of a popular former premier, the late Daniel Johnson, and has been serving under Mr. Lévesque as the province's justice minister. Although he did not have Mr. Lévesque's endorsement in the race for party leader, he was considered the front-runner.

In a departure from tradition, all dues-paying members of the Parti Québécois were eligible to cast ballots Sunday at 741 polling stations around the province. Monitors reported a heavy turnout.

With 99 percent of the ballots counted, Mr. Johnson had 56,658 votes, or nearly 59 percent of the total.

In remarks acknowledging his victory Sunday night, Mr. Johnson did not refer directly to sovereignty for Quebec and emphasized the need for reconciliation and unity in the party.

Mr. Johnson also made a gesture toward English-speakers and other ethnic groups outside the party. Switching from French to English, he said that despite past tensions, "I know with certainty we can build together for the betterment of Quebec as a whole."

Pauline Marois, the province's manpower minister, finished second with about 19 percent of the vote. Jean Garon, the agriculture minister, was third with 15 percent.

Guy Bertrand, the only separatist candidate, received less than 2 percent of the vote and did not attend the party's celebration Sunday. Some of his supporters walked out, saying they considered Mr. Johnson committed to federalism.

Mr. Johnson, whose grandfather was Irish, was born into a prominent French-speaking family in Montreal. He holds degrees in



Pierre-Marc Johnson, the new leader of the Parti Québécois who is to succeed René Lévesque as Quebec premier, with Pauline Marois, one of his opponents in the race.

medicine and law. He chose a career in politics after practicing briefly as a physician.

During the election campaign, Mr. Johnson said that Quebec should confront "the challenge of economic growth" within Canada and retain the goal of sovereignty, once central to the party, only as insurance.

He said he would not hold another referendum in Quebec on the sovereignty issue. Mr. Lévesque failed by a 3-to-2 margin in a 1980 referendum to gain a mandate to negotiate sovereignty for Quebec.

Mr. Johnson has also endorsed freer trade between Canada and the United States and has called for the government in Ottawa to consult with Quebec and other provinces more closely in economic planning.

His plans for Quebec include a reduction of provincial government spending, a freeze on taxes and the creation of a fund to promote economic development.

Sunday's selection confirmed the transition that the Parti Québécois has undergone since it won power nine years ago. The party has moved from a feisty group of French-speaking activists working for a sovereign Quebec to a more traditional party conforming to the constraints of Canadian federalism.

The election also closes a political career spanning a quarter century for Mr. Lévesque, who left the Liberal Party, founded the Parti Québécois in 1968 and brought it to power in 1976 by tempering its nationalist ideology with promises of good government.

One of the first challenges confronting the party's new leader will come from the Liberal Party, which hopes to defeat the Parti Québécois in a provincial election. The Liberals, led by Robert Bourassa, have led the incumbent party by as much as 20 percentage points in public opinion polls.

The Parti Québécois's mandate expires in April, but some party strategists want the new premier to call a provincial election once the legislature reconvenes Oct. 15.

During the classic period, from about A.D. 250 to 900, the Mayas built elaborate religious centers dominated by the great pyramids that remain tourist attractions in Guatemala, Belize and Mexico's Yucatan Peninsula.

In the ensuing centuries, however, architecture on the grand scale declined, leading archaeologists to think the civilization was disintegrating.

The new view is that, instead of building pyramids, the Mayas concentrated on extending their commercial and political ties over steadily larger areas, converting political entities that once had been

## In Belize, Key Maya Grave Is Found

By Boyce Rensberger

Washington Post Service

WASHINGTON — Newly discovered ruins indicate that the ancient Maya civilization of Central America, long thought to have collapsed centuries before the Spanish conquistadors arrived in the 1500s, continued to flourish right up to the Spanish invasion.

Last month, two Florida archaeologists excavated a Maya grave containing the richly adorned body of a man who appears to have been a powerful ruler.

The researchers said the remains, found near the coastal town of Corozal in Belize, probably are those of a leader who ruled a Maya province that may have extended over 9,000 square miles (about 23,000 square kilometers). The grave is only about 500 years old, dating to the period just before the Spanish conquest.

The discovery adds weight to an emerging view that the final centuries of the Maya civilization were not a period of decadence and decline, as has long been held, but one of transition to a different kind of society.

During the classic period, from about A.D. 250 to 900, the Mayas built elaborate religious centers dominated by the great pyramids that remain tourist attractions in Guatemala, Belize and Mexico's Yucatan Peninsula.

In the ensuing centuries, however, architecture on the grand scale declined, leading archaeologists to think the civilization was disintegrating.

The new view is that, instead of building pyramids, the Mayas concentrated on extending their commercial and political ties over steadily larger areas, converting political entities that once had been

small city-states into much larger and more politically complex nation-states.

"Our entire view of the Maya has been wrong," said Diane Z. Chase, who, with her husband, Arlen F. Chase, discovered and excavated the burial site. "Just because they stopped building pyramids doesn't mean there had been a decline in the culture."

The Chases, both of whom teach at the University of Central Florida in Orlando, have been working in Belize for seven years under sponsorship of the National Science Foundation.

The burial site was found beneath a modest stone shrine that had become covered with soil. The chief clue to the man's status was a pair of gold earplugs inlaid with jade and turquoise. The plugs, which once fit inside a large hole in the earlobe, flared out to cover the ear. Small metal bells dangled from the lower edge.

Such adornments, Mrs. Chase said, are unknown among the Maya but are identical to those worn by Aztec rulers as the "supreme symbol of power." The Chases said they believe the man would not have been buried with such important symbols if he were not a ruler of great power.

### New British Paper Planned

The Associated Press

LONDON — The London Post, a new evening newspaper, is to start publication next spring, News International said Monday. Rupert Murdoch, who controls News International, said the paper initially would be sold in the London area but might soon be distributed elsewhere in Britain.

## Libyan Allies Gains in Tripoli Raid

## D'Aubuisson Steps Down In Salvador

By Marlice Simons

New York Times Service

SAN SALVADOR — Roberto d'Aubuisson, the standard-bearer of El Salvador's militant right, has stepped down as the head of his party, the Nationalist Republican Alliance.

His resignation Sunday is said by many diplomats and politicians to be a tacit recognition that he has outlived his usefulness as party leader. They also say he has become a liability to his backers, including important sectors of the country's military, businessmen and landowners.

The party has been weakened by internal squabbling, desertions, loss of funds and a crushing defeat in the March legislative elections.

But Mr. d'Aubuisson said his resignation would not end his role in Salvadoran politics. He told 800 delegates at the party's national convention Sunday that he would head a new political institute to be formed by the party soon.

At the institute, he said, he plans to train young leaders, drawing on "my experiences in Salvadoran politics" and on "everything I learned in Taiwan." Mr. d'Aubuisson took "courses in political warfare" in Taiwan a decade ago, one of his aides said.

Alfredo Cristiani, 37, a coffee producer who joined the alliance only a year ago, was chosen unanimously its new president for a two-year term. Mr. Cristiani studied business administration at Georgetown University in Washington, and has headed the powerful associations of Salvadoran coffee and cotton growers.

Like other landowners in the party, he lost large parts of his holdings to the agrarian redistribution program several years ago.

The tall, soft-spoken and polished Mr. Cristiani seemed a sharp contrast to Mr. d'Aubuisson, a small, fiery figure.

Although Mr. d'Aubuisson was cautioned for involvement in coup plots when he was a National Guard major with a long career in intelligence work, he made a comeback as the key figure in the so-called Broad National Front, which declared it would "save El Salvador from Communism."

President José Napoleón Duarte has said the front was formed to carry out actions that the military themselves could not undertake. Foreign diplomats and critics have described the front as a network that fed names of "subversives" to military and paramilitary death squads to defend the interests of the country's well-to-do.

Once the front was co-opted into a political party, the Nationalist Republican Alliance, it grew rapidly and in three elections won close to 40 percent of the national vote. Last year, Mr. d'Aubuisson came close to winning El Salvador's presidential election, and he openly accused the United States of blocking his victory through "political maneuvers and funds."

U.S. diplomats have consistently linked Mr. d'Aubuisson to death squad activities, to the 1980 assassination of Archbishop Oscar Arnulfo Romero in San Salvador and the abortive conspiracy last year to kill the U.S. ambassador to El Salvador, Thomas R. Pickering. Mr. d'Aubuisson, who on several occasions has been refused a visa to enter the United States, has always denied the charges.

### Office of El Al Is Bombed

The Associated Press

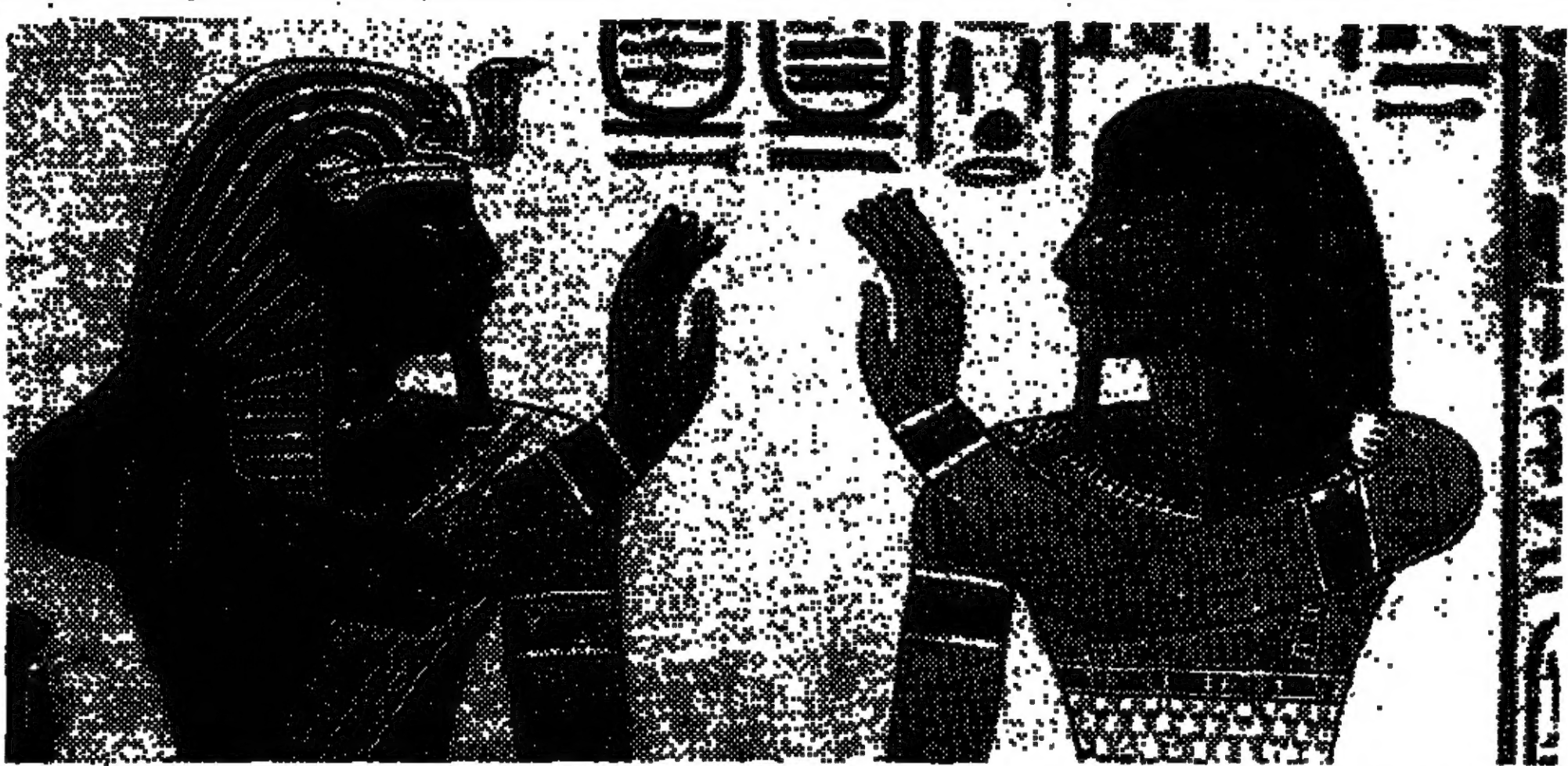
AMSTERDAM — A small bomb exploded Monday at the office of El Al, the Israeli national airline, causing little damage and no injuries, police said.

## U.S. 'Sacrifice' Is Urged To Cut Budget Deficit

United Press International

WASHINGTON — David A. Stockman, former U.S. budget director, has called for a period of "across-the-board national sacrifice," including large tax increases and sharp spending reductions to cut the U.S. deficit.

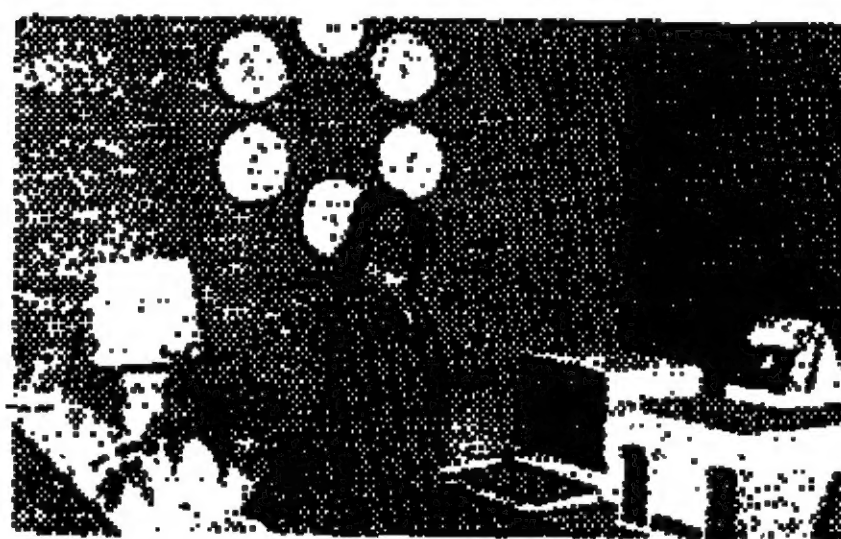
"I think the events of the last couple of weeks indicate the joyride is over," Mr. Stockman said in a television interview on Sunday.



ON BUSINESS IN EGYPT...

COME TO SHERATON.

Come ten minutes from the airport, to the centre of government or administration of exhibitions. Come to a superb new business centre, with word-processor and 24-hour telex. Come to Cairo's oasis of relaxation — to poolside cabanas and bars and a dazzling array of fine foods from many lands. Come to the Heliopolis Sheraton... where Egyptian hospitality comes alive.



## Heliopolis Sheraton

Sheraton Hotels, Inns & Resorts Worldwide  
The hospitality people of ITT

For reservations and information, call Cairo 665500, telex 93300, or your nearest Sheraton Hotel or Reservations Office

## HIGH STYLE

FINE SERVICE IS ALWAYS IN FASHION



AT AIR FRANCE, THERE'S ONE THING THAT NEVER GOES OUT OF STYLE. OUR ATTENTION TO THOSE IMPORTANT DETAILS THAT MAKE YOUR FLIGHT A TRULY UNIQUE EXPERIENCE. FROM THE WARM WELCOME ON BOARD TO A SELECTION OF THE BEST IN FRENCH WINES AND FOOD, WE BRING A TOUCH OF "LA VIE FRANÇAISE" TO EVERY TRIP YOU TAKE. AND AT AIR FRANCE, THAT'S SOMETHING THAT WILL NEVER GO OUT OF FASHION.

AIR FRANCE  
WE'RE AIMING EVEN HIGHER

Marriott  
HOTELS-RESORTS











# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## A Pre-Summit Pattern

Something of a pattern is being established as the Reagan-Gorbachev summit approaches: The Russians mean that the American position is unworkable; many Americans, and Europeans, not in agreement; the Reagan administration frets that the wily Gorbachev is making public relations hay; but then the Russians shuffle forward all the same.

This is the way it was when the Kremlin came back to the negotiating table after having walked out, when it eased off its hard-to-get posture and agreed to a summit, when it dropped its insistence on outlawing self-evidently unworkable research on defensive strategic weapons, and when it went beyond slogans and said it would be offering a new proposal at Geneva to reduce offensive arms.

From this account, we do not draw any hard conclusions. Things are moving, but one reason is that the Russians are retreating from unworkable positions. Their strategy of playing to American public opinion, even at some Americans, but it is forcing the Russians to moderate their position in order to appear presentable in foreign eyes. The more the Russians seek to gain propaganda advantage, and to position themselves to put the blame on the Americans if the summit fails, the more moderate they have to become. This is the other side of the propaganda coin.

Still, it troubles the United States to see the Soviets trying to manipulate American opinion.

Hence Secretary of State George Shultz's insistence on Friday that the private talks at Geneva are the proper forum for the exploration of the new Soviet position. They are.

It is the annual visit of the Soviet foreign minister to the United Nations that has prompted this latest surge of public diplomacy. There may not be a comparable surge until the summit in November.

Careless optimism remains unwarranted. If the two sides stopped right now they would be far apart on the big arms control issues, not to speak of the other issues of regional disputes, human rights and ideology that Mr. Reagan also hopes to discuss. Nor does either side appear to have calculated the final price it is willing to pay for an arms agreement. The Russians have made some relatively easy choices. Neither the Russians nor the Americans have yet addressed the hard ones.

The action is current in Washington that Mr. Gorbachev, having consolidated power, can do pretty much what he wants. That is almost certainly not so: He has removed only one man from the place where it counts — the Politburo. It takes a large faith in President Reagan's bargaining talents, moreover, to believe that the Kremlin will reverse course and end up accepting his Strategic Defense Initiative in the form in which he continues to press it. The tough part has not even begun.

—THE WASHINGTON POST.

## Can Pretoria Be Trusted?

As a classic French treatise warned in 1716, "Even the most dazzling diplomatic triumphs which have been gained by deception are based upon insecure foundations. They leave the defeated party with a sense of indignation, a desire to be revenged and a resentment that will always be a danger." In South Africa they have yet to learn that lesson.

In what seemed a dazzling triumph, the white regime in Pretoria broke its regional isolation in 1984 by signing a nonaggression pact with the Marxist leaders of its poor, black neighbor Mozambique. As brokered by the United States, the pact was a straightforward bargain: Mozambique would deny help to black exiles preparing attacks against South Africa, and South Africa would stop arming insurgents inside Mozambique.

Mozambique kept its word. South Africa did not. Besides encouraging the Mozambique rebellion (first instigated by Ian Smith's Rhodesia), the South African army has bombed and invaded Angola, another Marxist-led state whose territory it had promised to respect.

These aggressions are meant to express defiance of South Africa's foreign critics. Their real effect is to knock the last props from under President Reagan's claim that "constructive engagement" would moderate South Africa's conduct and racism. The main exit route has been the pact with Mozambique, and the cease-fire with Angola, through which Washington hoped to promote a still wider agreement for the independence of Namibia.

South Africa admits the Mozambique be-

trayal and no longer blames the rebel actions on "an international web of bankers." But Pretoria says its violations of the agreement are "technical" and that acts like clearing a landing strip constitute "humanitarian" aid. In the captured diary of one rebel, that aid was listed as 26 tons of munitions.

President Samora Machel has astutely turned South Africa's duplicity to his country's advantage. His Marxism recently proved no impediment to a cordial visit to President Reagan, who assured him of America's "discreet" expressing gratitude for U.S. aid. Mr. Machel urged Americans to come to Mozambique as "famine fighters" and investors.

This turning represents a real gain for the Reagan administration. Relations with Mozambique had been cool, even hostile, since its chaotic struggle for independence from Portugal a decade ago, during which it turned to Moscow for weapons and diplomatic support. But when drought struck Mozambique in 1984, it became the largest recipient of U.S. food aid. It has now joined the International Monetary Fund and the World Bank and is overcoming a reflexive hostility to the West.

As for South Africa, it ought to reflect on the conclusion of that old French treatise: "The negotiator should recollect that he is likely for the rest of his life to be constantly engaged in diplomatic business, and that it is essential for him to establish a reputation for straight and honest dealing so that thereafter men may be ready to trust his word."

—THE NEW YORK TIMES.

## Other Opinion

### For a Broad-Ranging Summit

Soviet Foreign Minister Eduard Shevardnadze's visit to the United States seems to leave open the question of whether he is positioning his country for serious negotiations on nuclear arms reduction or only making more points in the Soviet propaganda campaign. It is obvious that there has been no significant movement at Geneva. Nuclear arms reduction is the most important issue that will be discussed [at next month's summit]. However, deepening understanding and coming to terms on many issues as possible will contribute to that goal, whereas an all-out approach locked tightly to arms reduction could doom the talks to failure.

—The Japan Times (Tokyo).

### Hussein Returns to Try Again

King Hussein is in Washington again. Last time he was there, just four months ago, he impressed President Reagan with his determination to move forward, at long last, toward a negotiated settlement of the Palestinian question and of the future of the West Bank. The king has offered a four-stage scenario. First, a senior U.S. official should meet with a Jordanian-Palestinian delegation, whose Palestinian members would not be overtly identifiable as PLO representatives. The Americans were sufficiently impressed to be willing to envisage

stage one, provided they could be satisfied of the non-PLO credentials of the Palestinians who would attend this first meeting. [Prime Minister Margaret Thatcher's agreement [to] receive a delegation containing two Palestinians is intended to strengthen the king's hand as he goes in to plead with Mr. Reagan to allow at least the first stage of the original scenario to go ahead. If it does not, the fear is that the opportunity presented by the Jordan-PLO rapprochement will soon be lost.

—The Times (London).

### How Would Mexico City Cope?

Disasters, natural or man-made, seem to occur with such chilling frequency that the mind develops automatic defenses for coping. We reassure ourselves nervously: It was a once-in-a-lifetime thing; it's so far away; it couldn't happen here. And the devastating scale of earthquake destruction in and around Mexico City is a reminder that the worst can happen anywhere. We cannot cannot take anything for granted, it seems — not even the notion that we live on a stable surface.

As our hearts go out to the victims in Mexico, our heads cannot help but think about the vulnerability of that sprawling metropolis of 18 million (the world's largest city) to other disasters. How would Mexico City cope with an epidemic or a breakdown in social order?

—The Milwaukee Journal.

## FROM OUR OCT. 1 PAGES, 75 AND 50 YEARS AGO

**1910: Austria Arrests Three Russians**  
ST. PETERSBURG — Nothing yet suggests any improvement in the relations of Austria and Russia. On the contrary, the fashion in which the Austrian authorities act on the frontier has given rise to recriminations on the part of the St. Petersburg press. For some time past the fact of being a Russian subject sufficed to render suspicious any passenger traversing the frontier. In the last three days three Russians were arrested and thrown into prison on a charge of espionage. They have appealed to the Russian Embassy in Vienna and asked to be set at liberty. The Russian Ministry of Foreign Affairs is taking very energetic measures in this case. It is to be feared that if these acts continue, the Russian Government will be forced to take similar measures vis-à-vis Austrians traversing the frontier.

**1935: A Polish Gesture to Ukrainians**  
WARSAW — For the first time in many years the Prime Minister of Poland received [on Sept. 29 and 30] Ukrainian leaders representing a minority of nearly 6,000,000 and listened to their suggestions for bettering relations between the Poles and Ukrainians. This evidence of Polish-Ukrainian reconciliation, following the recent elections, from which the Ukrainians emerged as the only minority adequately represented in the new Polish Parliament, is considered to have unusual importance owing to efforts being made to bring Poland closer to Germany and Hungary as a counterblast to Soviet-Czech-Romanian moves in the field of mutual assistance pacts. It is significant that the leading German newspaper has expressed satisfaction at the improvement in Poland's relations with her minorities.

## Amiable Gorbachev, Invader of the West

By Dominique Moisi

PARIS — The pomp of Versailles; the smiles from Mikhail Gorbachev's wife, Raisa Maximovna. In a sense, the medium is to be the message in Mr. Gorbachev's first official visit to the West since he took charge of the Soviet Union in March.

The French are flattered to be the general secretary's "first choice." They hope that the visit which starts tomorrow will redirect attention to a

positive French international role and help to repair the negative image left by the Greenpeace affair.

For the Soviet Union, the trip to Paris in the month preceding the Geneva summit has propaganda value. It is meant to convey an image of openness, and the Kremlin's "new look," while adding credibility to Soviet arms reduction proposals.

From Paris Mr. Gorbachev doubtless intends to speak to Western opinion as a whole, and to put the United States on the defensive, by stressing — with the help of the media — an image contrast between Soviet good will and American rigidity.

Mr. Gorbachev's visit is awaited by the French with a mix of satisfaction, curiosity and skepticism that reflects the evolving international, domestic and cultural context within France.

Satisfaction stems from the fact that the Soviet Union has singled out France from the European pack — as if to demonstrate Soviet respect for French firmness on the Euratom issue and approval for France's critical stance toward President Reagan's Strategic Defense Initiative.

Paris is reviving a tradition of regular bilateral meetings that Soviet behavior in the late 1970s and early '80s (in Afghanistan and Poland, in particular) and the French Socialists' need to prove their pro-Western orientation had interrupted. Soviet behavior has not improved either on human rights or in Afghanistan; one could in fact say that it has deteriorated. Still, once the West had won the Euratom battle, resumption of East-West dialogue paved the way for a French return to dialogue.

Mr. Gorbachev's visit is also satisfying from the French point of view because it provides an opportunity to reaffirm the independence and originality of French foreign policy. More prosaically, Paris hopes that the visit will lead to an improved trade balance with the Soviet Union.

Mr. Gorbachev's visit excites curiosity because he heads a new leadership with many new faces — a team that should be around for a long time. There is skepticism as well. No one expects much in terms of concrete results from the visit. It is widely viewed as a mere observation round, albeit an important and useful one.

In terms of French domestic politics, the Gorbachev visit is a chance for consensus-building. It satisfies the various political parties — with the exception of the extreme right — and tends to serve President Mitterrand's plans for "cohabitation" after the general election next March.

The domestic climate, too, has evolved. Present attitudes toward the Soviet Union are a mixture of realism, cynicism and resignation. After decades of fascination with the revolutionary essence of the Soviet experiment, the French intelligentsia belatedly discovered the totalitarian nature of the Soviet system 10 years ago, with Alexander Solzhenitsyn's "Gulag" trilogy. Today the trend is toward banalization of Soviet "evil" and an overall cynicism.

The intelligentsia seems to have exhausted its capacity for indignation. The reasons that justified criticism of the Soviet Union are all still

present, but since they are not likely to disappear, indignation is slowly giving way to resignation. Attitudes toward Poland illustrate this mood. The unofficial compromise that has been reached there between an oppressive, self-censoring regime and a restless but self-contained society looks to many in France like a satisfactory and realistic outcome.

Mr. Gorbachev's trip to Paris should not fool the West. Behind the smiles and a newly energetic style, basic Soviet foreign policy objectives have not changed. While it smiles at Western Europe, the Kremlin takes a tougher stance in the Eastern bloc and at home, and mixes seduction with toughness toward the United States. Mr. Gorbachev should be received politely, but exchanges should be firm and without illusions.

The writer, associate director of the Institut Français des Relations Internationales, contributed this column to the International Herald Tribune.



By Antonio Invernizzi (Lisbon), C&W Syndicate.

## A Simple Question for France to Raise

By Efreim Yankelovich

The writer, son-in-law of Andrei Sakharov, is a former member of the Soviet human rights movement.

NEWTON, Massachusetts — The last time Mikhail Gorbachev went abroad he was not yet the general secretary. Nevertheless the KGB felt obliged to do something to save him from a few potentially embarrassing moments. It certainly did not want to have Margaret Thatcher or some nasty journalist inquiring about the whereabouts of Andrei Sakharov and his wife, Yelena Bonner. On the eve of his arrival in London it released presumably two-month-old pictures of Dr. and Mrs. Sakharov. The pictures, taken by a hidden camera, were released on Dec. 15, 1984, through a West German newspaper, Bild.

Will the KGB let Mr. Gorbachev down now? Do not President François Mitterrand and the French public deserve at least 10 minutes of a videotape featuring the Sakharovs? Four such little tapes have been released to the West in the last 15 months. They have now become the only source of information on the Sakharovs.

What if there is no videotape released by Oct. 2? This would be bound to suggest a gloomy possibility that there is nobody to take pictures of.

If there is a videotape, that will not be a consolation either, since it is becoming increasingly difficult to accept the authenticity of Soviet-supplied tapes. The

last one, released through Bild in late July, showed Dr. Sakharov allegedly leaving a hospital on July 11 and reunited with his wife. However, so far there has been no confirmation of this claim. The last words from Gorki were Mrs. Bonner's postcard of July 4 in which she strongly indicated that she was alone.

Our only hope is that Mr. Mitterrand will not forget to ask Mr. Gorbachev a simple question: "How are the Sakharovs?" And that he will insist on an answer.

In June 1984 Mr. Mitterrand accepted assurances by the Soviet news agency Tass that the Sakharovs were alive and well, and he went to Moscow despite an outcry in the French press. (The outcry was justified, as we know now.) He shocked Konstantin Chernenko by mentioning Dr. Sakharov's name in the Kremlin dining room. It took courage. But courage alone does not produce results unless there is consistency.

In May 1985 Prime Minister Laurent Fabius launched a new French human rights policy by declaring a freeze on French investments in South Africa. I wonder if similar measures were considered in regard to the Soviet Union. I hope that French human rights policy is not just a search for easy targets.

International Herald Tribune.

## East-West Arms Control and Beyond

By Evgeny Chossudovsky

main thrust of the first of the "basic principles of relations between the U.S. and the U.S.S.R." signed by Presidents Brezhnev and Nixon in Moscow on May 29, 1972, would be welcome, since this would unequivocally acknowledge the legitimacy of the political, social and economic systems of both states and their right to full-fledged and equal membership of

This is the first of two articles.

the international community. The essence of this principle is that "in the nuclear age there is no alternative to conducting... mutual relations on the basis of peaceful coexistence."

The necessary political impetus should be given to restoring and, if possible, strengthening the "fabric" (to use Ambassador Anatoli Dobrynin's term) of U.S.-Soviet relations in the cultural, humanitarian, scientific, technological, maritime, communications, trade and economic fields.

However, it cannot be overemphasized that no enduring and significant relaxation of tension can be achieved through a resumption of non-military cooperation unless the two leaders also reach a political accord at least

to slow down the nuclear arms race at all levels, as well as to refrain from further structural diversification of weapons systems. This would be in the interest of the domestic economies of both countries.

The three-pronged nuclear arms control talks in Geneva have so far been barren of results. Hence, as the summit approaches, attention on both sides will presumably center on this crucial sector. And it is above all in this sector that an anxious world expects the meeting to reach some measure of tangible progress.

The various moves, proposals and responses in this field are public knowledge. So are the major differences in positions.

Limited accords or a rapprochement on specific matters, such as the possibility to seek a prompt conclusion of a comprehensive test ban treaty, would be welcome. But the main problem is how to advance in all three interrelated areas in the face of divergent postures, especially with respect to the Strategic Defense Initiative. Even a partial removal of the obstacles — about which Mr. Gorbachev spoke with remarkable frankness to Time magazine recently — can seem a formidable task.

However, we are dealing with no ordinary diplomatic meeting but with one whose outcome will affect the destiny of mankind. A determined joint effort at accommodation is imperative. No sensible option should be foreclosed. The modern history of international relations does contain examples where clarification of intent coupled with a fresh, imaginative and politically flexible approach to a set of interconnected issues, as well as readiness for mutual concessions, helped to find common ground even in situations of utmost difficulty.

The writer, a Soviet citizen, is a former senior official of the United Nations and now a fellow of the UN Institute for Training and Research. He contributed this column, which reflects solely his own views, to the International Herald Tribune.

## LETTERS TO THE EDITOR

### Gorbachev: Image Only?

The front page of your Sept. 4 editions featured an analysis entitled "Gorbachev: A New Image for the Kremlin," which concluded that Mikhail Gorbachev "has sold himself well but has yet to deliver on his policies." But since Aug. 6 the Soviet Union has had a unilateral moratorium on the testing of nuclear weapons. I think that should be on the front page every day of the week.

SUE DURR, Munich.

### For Good King Dick

Regarding the opinion column "500 Years On, Richard Tricks His Fans" (Sept. 17) by A.L. Rowse:

It is true that Richard III was less popular in the south of England, which regarded all northerners as foreign barbarians, than he was in the north. But in the north his popularity was such that he achieved semi-legendary status. Being remembered as "Good King Dick" for centuries after his brief reign. As for the treatment of the dead king's body, a victorious army of foreign mercenaries — like the proverbial 7-foot-tall gorilla — can do very much as it likes.

## SDI Cannot Be Kept Off The Table

By Tom Wicker

NEW YORK — The new Soviet proposal for a 50-percent reduction in the two superpowers' offensive weapons has made it clear that no serious arms control agreement can be reached unless President Reagan's Strategic Defense Initiative is "on the table" at Geneva.

All of the details have not been disclosed, and probably will not be for some time, but the new Soviet position obviously is considered constructive even by the usually skeptical Reagan administration.

Mr. Reagan himself said that the proposals outlined to him directly by Foreign Minister Eduard Shevardnadze and in a letter from Mikhail Gorbachev could lead to serious bargaining and that "progress can be made" in the arms control talks.

The other side of the coin is that the new Russian approach was coupled with a demand for a cessation of work, apparently including laboratory research, on the SDI to develop a space-based missile defense.

Mr. Shevardnadze was scarcely out of the White House before Mr. Reagan was telling reporters that "we are determined to go forward" with the SDI. George Shultz, the secretary of state, reiterated that position in a later news conference.

If the Soviet proposal really is as promising as the administration has suggested, Mr. Reagan cannot credibly sustain his insistence on the SDI. He says, for example, that when the detailed Soviet plan is laid out at Geneva, "we hope it will be free from preconditions and other obstacles to progress." But his insistence that he will "go forward" with the SDI is just such a "precondition," and could become the crucial "obstacle to progress" on deep reductions in offensive weapons that he also advocates.

Moscow, before and particularly since Mr. Gorbachev's ascent to power, has clearly established its strong opposition to strategic defenses. The latest evidence is in its willingness — not yet detailed and probably not yet as comprehensive as necessary — to pay the price of drastic reductions in its offensive arsenal.

The reasons for the Russians' adamant stance are numerous. They have good cause to fear that superior technology might give America serious advantages in a defensive arms race. Security considerations as well as the determination to remain an equal superpower with the United States would drive Moscow to match a space-based U.S. defense; but Soviet leaders can have little desire to make the huge investment and undergo the economic adjustments that such an undertaking clearly would require.

Just as likely, the revolutionary shift from offensive deterrence to strategic defense would force equally drastic changes in the structure and power centers of the Soviet military — a prospect that the civilian leaders probably do not savor, and that military leaders may strongly resist.

The serious domestic problems, both economic and structural, that face Mr. Gorbachev should cause him, moreover, to seek an improved climate in Soviet-American relations — which is unlikely to result from a new defensive arms race but might well begin in an agreement to reduce offensive armaments.

That the Russians oppose a strategic defense for good reasons does not entitle them to their own precondition — that the SDI be abandoned before negotiations begin. Nor can they rationally insist on halting American laboratory research.

But deployment of a strategic defense may be, as Richard Nixon has stated, "the ultimate bargaining chip" — one that, properly used, could yield the greatest accomplishment of Mr. Reagan's administration. What will be necessary, however, is that he soften his refusal, expressed in his last news conference, even to consider any form of trade-off involving the SDI.

Even if the SDI were placed "on the table" at Geneva, the result would not necessarily be total abandonment of strategic defense. It is the negotiators' business to examine all implications of possible trade-offs, to determine the consequences for each side in each possible case and to arrive, if possible, at an agreement most advantageous to both sides.

What the new Soviet position has made as clear as anything can be is not that a simple deal can be quickly had, but that it is up to Mr. Reagan to let his negotiators negotiate.

The New York Times.

## LETTERS TO THE EDITOR

It is not surprising that no king since Richard III has borne his name, since all three Richards died violent deaths. (We have not had too many Henrys since the Tudors, either.) Prince Charles will probably remedy that lack. He recently included Richard III in a list of his personal heroes.

CLAIRE JORDAN, London.

There are three prime suspects in the Tower princes' murder: Buckingham, Henry VII and Richard III. Richard had no reason to kill them; they were imprisoned; their murder would destabilize his rule (as it indeed did); he had a just and courageous reputation. The princes' mother entrusted her daughters to him.

"No one has dared to revive the name Richard for an English king," Mr. Rowse says. Richard was duke of Gloucester. The present duke of Gloucester, Queen Elizabeth II's first cousin, is named Richard.

PHILIP BRUTTON, Paris.

While it has not been proved that Richard III did not kill his nephews, he deserves the benefit of the doubt.

SYLVIA CONK, Oberursel, West Germany.

**INTERNATIONAL HERALD TRIBUNE**  
JOHN HAY WHITNEY, Chairman 1983-1987

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER  
Co-Chairmen

LEE W. HUBNER, Publisher  
Executive Editor: RENÉ BONDY  
Editor: ALAIN LECOUR  
Deputy Editor: RICHARD H. MORGAN  
Deputy Editor: STEPHAN W. CONWAY  
Deputy Editor: FRANÇOIS DESMAISONS  
Deputy Editor: ROLF D. KRANEPUHL, Director of Advertising Sales

International Herald Tribune, 161 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 47-1265. Telex: 612718 (Herald). Cables: Herald Paris. ISSN: 0294-8052.

Director of the publication: Walter N. Thayer

Asia Headquarters, 24-34 Hennessey Rd., Hong Kong. Tel.: 3-35818. Telex: 61170.  
Manila Office, C.E. Robinson Building, 670 Legaspi, Manila 1101. Tel.: 336-8800. Telex: 33020.  
Gen. Mgt. & Circulation: 15, 670 Legaspi, Manila 1101. Tel.: 336-8800. Telex: 33020.  
S.A. capital of 1,200,000 F. RCS Nanterre B 31201126. Commission Paritaire No. 61337.  
U.S. subscription: \$322 yearly. Second-class postage paid at Long Island City, N.Y. 11101.  
© 1985, International Herald Tribune. All rights reserved.

Germans Bid For Control Of Chemical Producers

By John...

FRANKFURT — The German chemical industry is...

For the last...

However, many...

Their only...

They are...

They are...

They are...

They are...

They are...

They are...

They are...

## LETTERS TO THE EDITOR

It is not surprising that no king since Richard III has borne his name, since all three Richards died violent deaths. (We have not had too many Henrys since the Tudors, either.) Prince Charles will probably remedy that lack. He recently included Richard III in a list of his personal heroes.

CLAIRE JORDAN, London.

There are three prime suspects in the Tower princes' murder: Buckingham, Henry VII and Richard III. Richard had no reason to kill them; they were imprisoned; their murder would destabilize his rule (as it indeed did); he had a just and courageous reputation. The princes' mother entrusted her daughters to him.

"No one has dared to revive the name Richard for an English king," Mr. Rowse says. Richard was duke of Gloucester. The present duke of Gloucester, Queen Elizabeth II's first cousin, is named Richard.

PHILIP BRUTTON, Paris.

While it has not been proved that Richard III did not kill his nephews, he deserves the benefit of the doubt.

SYLVIA CONK, Oberursel, West Germany.







NYSE Most Actives				
Vol.	High	Low	Last	Chg.
Boeing	30.44	64.50	63.75	+1.25
IBM	10.17	32.75	32.50	+0.25
General	10.17	32.75	32.50	+0.25
AT&T	10.17	32.75	32.50	+0.25
IBM	10.17	32.75	32.50	+0.25
General	10.17	32.75	32.50	+0.25
AT&T	10.17	32.75	32.50	+0.25
IBM	10.17	32.75	32.50	+0.25
General	10.17	32.75	32.50	+0.25
AT&T	10.17	32.75	32.50	+0.25

Dow Jones Averages					
	Open	High	Low	Last	Chg.
Indus	1330.89	1334.31	1328.55	1328.55	+ 7.84
Trans	440.92	442.72	440.72	440.57	+ 0.30
Util	149.62	150.86	148.24	150.29	+ 0.27
Comp	536.99	540.46	531.69	536.97	+ 1.28

NYSE Dailies	
--------------	--

NYSE Index				
Composite	High	Low	Close	Chg.
Indus	1334.31	1328.55	1328.55	+7.84
Trans	442.72	440.72	440.72	+0.21
Comp	540.46	531.69	531.69	+1.28

**Monday's  
NYSE  
Closing**

Vol. of 4 P.M. 163,000,000  
Prev. 4 P.M. vol. 104,100,000  
Prev. consolidated close 125,642,500

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
Via The Associated Press

AMEX Diaries	
Close	Prev.
Advanced	275
Declined	273
Unchanged	274
Total Issues	804
New High	51
New Low	7
Volume down	2,574,776

NASDAQ Index				
Composite	Close	Chg.	Week	Year
Indus	280.11	+0.32	280.09	247.86
Trans	284.39	+0.01	284.38	272.27
Comp	342.51	+0.01	342.50	292.00
Insurance	297.77	+0.23	297.54	270.00
Finance	292.16	+0.01	292.15	270.00
Trans.	292.16	+0.01	292.15	270.00

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Boeing	30.44	64.50	63.75	+1.25
IBM	10.17	32.75	32.50	+0.25
General	10.17	32.75	32.50	+0.25
AT&T	10.17	32.75	32.50	+0.25
IBM	10.17	32.75	32.50	+0.25
General	10.17	32.75	32.50	+0.25
AT&T	10.17	32.75	32.50	+0.25
IBM	10.17	32.75	32.50	+0.25
General	10.17	32.75	32.50	+0.25
AT&T	10.17	32.75	32.50	+0.25

Dow Jones Bond Averages		
Close	Chg.	Chg.
Bonds	77.40	-0.14
Utilities	76.50	-0.01
Industrials	82.24	-0.20

NYSE Diaries		
Close	Prev.	Chg.
Advanced	875	875
Declined	875	875
Unchanged	875	875
Total Issues	875	875
New High	875	875
New Low	875	875
Volume up	875	875
Volume down	875	875

Odd-Lot Trading in N.Y.				
Buy	Sell	Buy	Sell	Buy
Sept. 26	137,001	368,477	2,217	1,341
Sept. 27	137,001	368,477	2,217	1,341
Sept. 28	137,001	368,477	2,217	1,341
Sept. 29	137,001	368,477	2,217	1,341
Sept. 30	137,001	368,477	2,217	1,341

Standard & Poor's Index				
High	Low	Close	Chg.	Chg.
Indus	284.39	284.39	+0.01	+0.01
Trans	342.51	342.51	+0.01	+0.01
Comp	297.77	297.77	+0.23	+0.23
Insurance	292.16	292.16	+0.01	+0.01
Finance	292.16	292.16	+0.01	+0.01
Trans.	292.16	292.16	+0.01	+0.01

AMEX Sales		
4 P.M. volume	Prev. 4 P.M. volume	Chg.
2,574,776	2,574,776	+0.00

AMEX Stock Index				
High	Low	Close	Chg.	Chg.
222.77	221.54	222.77	+0.00	+0.00

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg.
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	General	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	AT&T	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	General	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	AT&T	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	General	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	AT&T	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25

## Stocks End With 7.8-Point Gain

**NEW YORK** — Prices were mixed at the close of the New York Stock Exchange Monday in active trading. The Dow Jones industrial average, which rose 8.74 Thursday, was up 7.84 to 1,328.55 at the NYSE close.

A more than 7-point advance in the price of General Foods, a heavily weighted component of the Dow Jones industrial average, was largely responsible for the blue chip index being in plus territory, analysts said.

Philip Morris, the giant tobacco and beverage company, agreed Friday to acquire General Foods for \$120 a share and the boards of the two companies approved the merger agreement Monday morning.

Declines led advances by an 8-7 ratio and volume amounted to about 103.6 million shares on the first day of the new extended trading hours, compared with 106.1 million Thursday. Neither the New York nor American stock exchanges opened Friday because of Hurricane Gloria.

Prices were lower in active trading of American Stock Exchange issues.

"The direction is to the downside," said Robert Kahan, director of equity trading at Montgomery Securities in San Francisco. "If you take

out General Foods, you have the market flat to down."

Mr. Kahan said that "everyone is on the sidelines waiting for a direction to emerge. It's hard to come up with a cogent reason to buy stocks at the moment."

Marvin Katz, of Sanford C. Bernstein, said the market tested the 1,300 level and must build a base in the 1,300 to 1,320 area before moving higher. "It's a very bored, lackluster market," he said.

Before the market opened, the Commerce Department reported that its composite index of leading economic indicators rose 0.7 percent in August.

The Federal Open Market Committee, the policy-making arm of the Federal Reserve, meets Tuesday but most analysts believe the Fed will maintain its current monetary policy.

"The Fed's hands are tied," said Monte Gordon of Dreyfus Corp. "The central bank is unable to move forcefully to stimulate the economy and unable to restrain money supply."

Richardson-Vicks was the most active NYSE-listed issue, jumping sharply. Unleveraged raised its bid for the company to \$60 a share last week.

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg.
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	General	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	AT&T	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	General	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	AT&T	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	General	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	AT&T	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg.
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	General	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	AT&T	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	General	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	AT&T	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	General	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	AT&T	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg.
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	General	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	AT&T	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	General	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	AT&T	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	General	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	AT&T	3.25 10.17 11.11	11.11	10.17	32.50	+0.25
11.11	10.17	IBM	3.25 10.17 11.11	11.11	10.17	32.50	+0.25

# BEIJING



From the 1 CHING or "Book of Changes" which consists of 64 hexagrams devised by the first Chinese Sage Fu Hsi (B.C. 3322) and to which explanations were added also by Confucius (B.C. 550-479)

## BANCA COMMERCIALE ITALIANA

Head Office: Milan - 443 branches in Italy

Banca Commerciale Italiana, which has had a Representative Office in Peking, People's Republic of China, since 1981, will transfer its premises to Jianguomenwai Dajie in order to offer its clients a more convenient meeting point for establishing business relationships with the Chinese market.


Thanks to its participation in Leasepack, Banca Commerciale Italiana is also able to provide complete assistance in the leasing sector.

In the Pacific region, Banca Commerciale Italiana has branches in Tokyo, Hong Kong and Singapore, as well as Representative Offices in Osaka and Sydney.

**Peking Representative Office:**  
19 Jianguomenwai Dajie, 27th Floor  
Beijing  
tel. 507766 ext. 5022 - 5157 - 5158  
telex 22579 BCI PE CN

**LEASEPACK - China International**  
Packaging Leasing Co., Ltd.  
Room 225, Qianmen Hotel  
Beijing  
tel. 338731 ext. 225  
telex 22089 LEAPA CN

## The Global Newspaper.



(Continued on Page 12)

PUBLICATION  
(ALL ATLANTIC  
EDITIONS)  
\$US  
+1  
SPACE  
PAGE 10

1984 PE  
164.6  
157.56  
148.94  
148.94  
132.80  
132.80

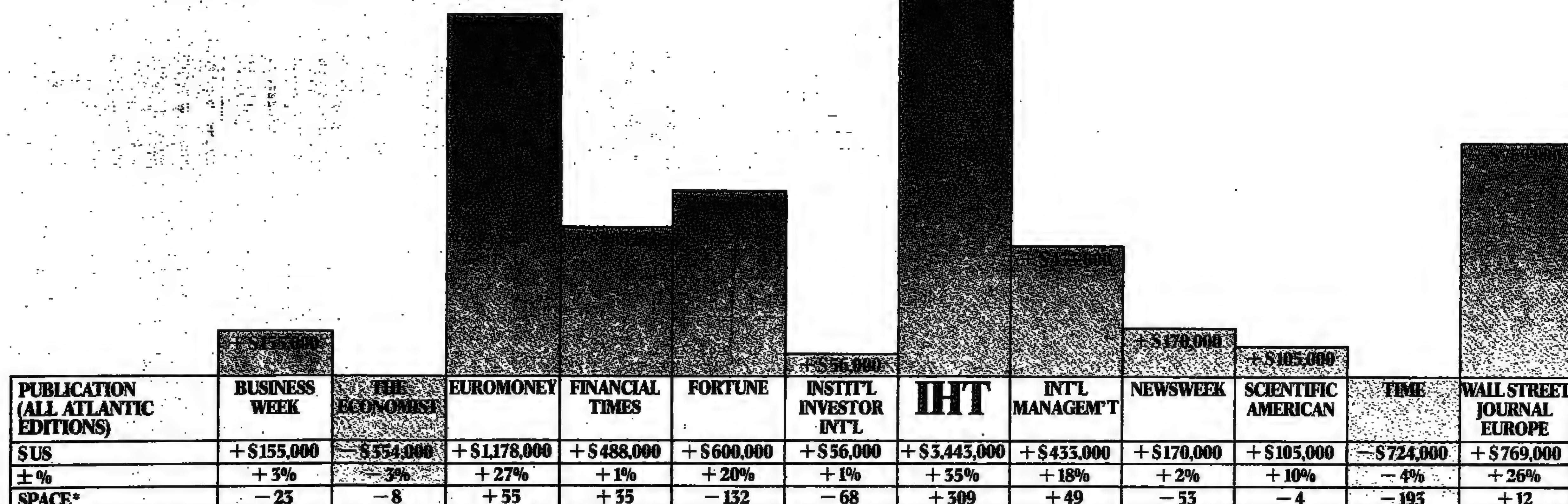


During the first six months of 1985

# The International Herald Tribune grew faster than any other international publication.

1985 will be a record year for the IHT. During the first six months, when the overall international advertising market grew by less than 1%, the IHT increased its advertising revenue by 35% — a gain of over \$3.4 million. The results below are for Atlantic area English-language publications as tabulated by the Rome Report's international measuring service.

In the Pacific area, too, the IHT was the fastest growing international publication, with a growth of 98% over the comparable period last year.



\* PAGES IN MAGAZINES; QUARTER PAGES IN NEWSPAPERS.

1984/85  
**164,639**  
1983/84  
**157,560**  
1982/83  
**148,947**  
1982  
**144,891**  
1981  
**139,280**  
1980  
**128,827**

Circulation also set record levels: up 27% in the last 5 years.

IHT paid circulation grew to a daily average of 164,639 for the July '84-June '85 audit period.

Clearly, international advertisers and readers in increasing numbers recognize the value of the world's only global newspaper. Why not contact your local IHT office for full information concerning the IHT and its unique audience of opinion leaders and decision makers in 164 countries.

## The International Herald Tribune

Published with the New York Times and the Washington Post. Printed simultaneously in Paris, London, Zurich, The Hague, Marseille, Hong Kong and Singapore. 181, ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: (01) 747 1265

### The global newspaper

Bringing the world's most important news to the world's most important audience.





FRANKLIN  
BASE, the West  
point, captured  
some by having  
American and

MacGregor  
Turner Bld n

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_  
 State \_\_\_\_\_  
 Zip \_\_\_\_\_



## Germans Bid For Control Of Chemical Producers

By John Tagliabue  
New York Times Service

FRANKFURT — Last May, BASF, the West German chemical giant, capped a major acquisition drive by laying out \$1 billion for an American ink and paint maker, Inmont.

Earlier this year, Hoechst, another industry leader, snapped up Rosenthal Technik, the technology arm of the Rosenthal porcelain group. At about the same time, Bayer, the third of Germany's chemical giants, announced ambitious plans to boost its drive into the U.S. pharmaceutical market, including the construction of a multimillion-dollar research center in Connecticut.

West Germany's three biggest chemical companies — also the world's three largest until 1981, when Du Pont acquired Conoco and grabbed first place by total sales — are on the move.

For the last two years they have enjoyed their biggest earnings boom since the mid-1970s. Unlike their U.S. counterparts, who are staggering under the combined burdens of the strong dollar, fierce foreign competition and weakening demand, the West German companies have available capital.

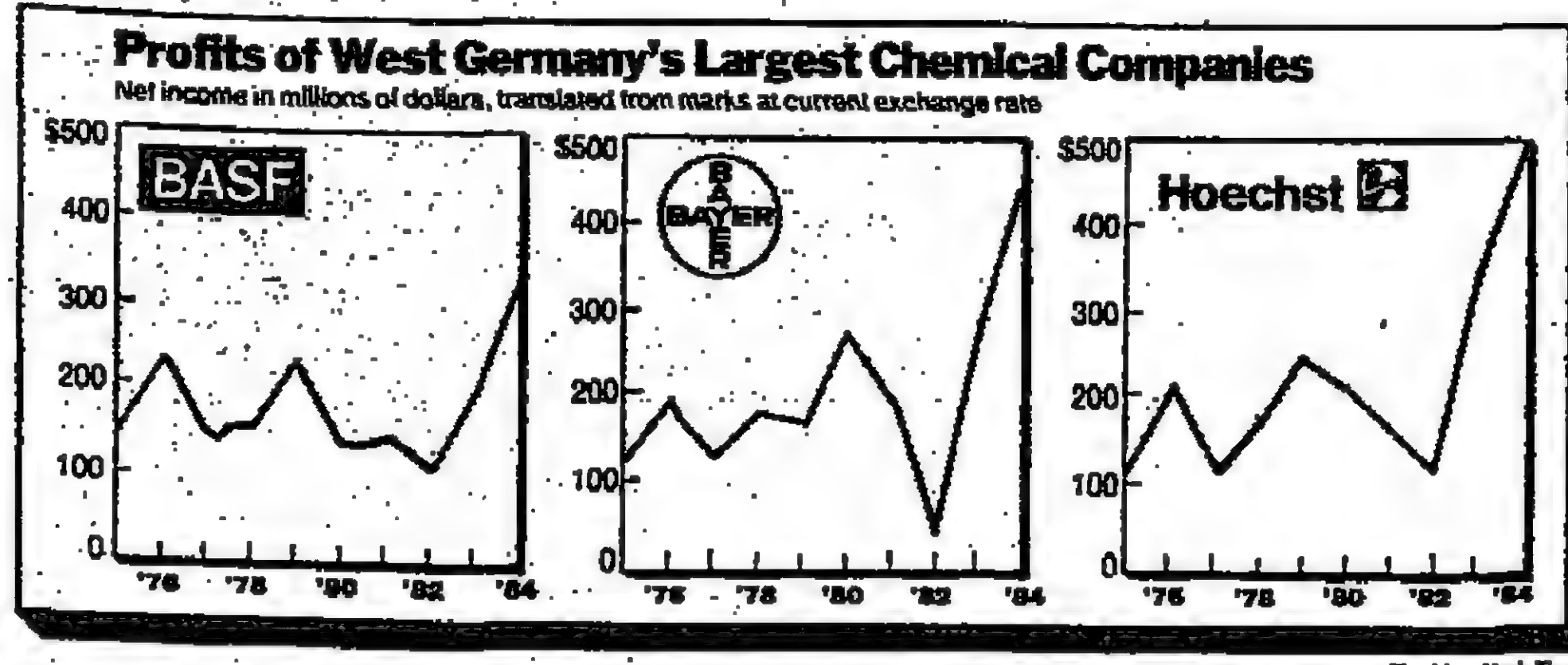
However, memories of their severe slump of the early 1980s are still vivid, and West Germany's big three are embarking on a flurry of acquisitions at home and abroad, particularly in the United States, where combined sales already near \$8 billion.

The goal of the buying binge: To entrench themselves in areas that hold promise of growth, and thus guard against downturns.

While that goal pervades the strategies of all three companies, their tactics to achieve it differ. Analysts and industry officials say that, perhaps for the first time in their turbulent history, West Germany's big three are moving down markedly varying paths.

"They're still so much alike in size that the differences are often just a matter of definition," said Wolfgang Munde, executive director of the Chemical Industry Association. "It's in their strategies that they're starting to move apart."

Of the three, Hoechst's moves most closely mirror those of many American chemical companies. In recent years, industry wisdom in the United States and Europe has been to stress specialty chemical products, like pharmaceuticals or new plastic materials, leaving the production of cheap bulk chemi-



cal to new competitors in Asia, Latin America and Eastern Europe.

The West German companies remain heavily involved in bulk chemicals, but two of them are branching out at a heady pace.

Hoechst, with the largest share of pharmaceuticals of the three, has moved most heavily in that direction. Bayer, regarded by many as the sleeper of the three, has also moved into specialty products, but has first focused its energies on cleaning up its own foundering units, like the big Agfa-Gevaert photo division.

Only BASF, with traditionally the largest share of petrochemical and refining activity, has bucked the wisdom, spending freely for major acquisitions that are not far removed from the commodity chemical business.

For example, hard on the heels of the \$1 billion Inmont acquisition, BASF paid an estimated \$100 million for a Monsanto plant in northeast England that produces intermediate products for the manufacture of nylon and acrylic fibers. The purchase of that plant makes BASF the world's largest producer of acrylonitrile, which is used to make synthetic fibers.

Although few analysts are pegging acrylonitrile as a stellar growth product, most say that BASF has positioned itself to make the most profits from it.

"The idea is that if you are in the game, then be the biggest player," said Howard Coates, the chief chemical analyst at the London stockbrokerage of de Zoete & Bevan.

Most analysts say Bayer and Hoechst have chosen safer strategies in mapping out high-growth markets, but BASF, if it does wind up controlling the markets for acrylonitrile and other basic or intermediate chemicals, might yet turn out the biggest winner with the greater gamble.

More is at stake for all three than the fortunes of their shareholders. Between their exports from home and their broad networks of subsidiaries, the firms already do an average 70 percent of their business outside West Germany.

With coal, steel and other major smelter industries in the doldrums, and sectors like automo-

biles and electronics under attack from Japan and the United States, the export revenues that chemicals generate have assumed particular significance. Last year, chemicals accounted for 15 percent of all West German exports, up from 13 percent 10 years ago.

The idea of BASF, Bayer and Hoechst moving in such different directions is ironic in that the three companies share identical roots. They were all founded in the late 19th century by German chemists who developed organic dyes for flourishing textile mills.

Between the two world wars, the three became part of the I.G. Farben chemical trust. The cartel used slave labor during World War II and produced gases used in Nazi extermination camps. Allied occupation powers broke up I.G. Farben after the war, and divided its assets among five companies.

Bayer, BASF and Hoechst received the main shares. Today, the three together outsell the combined chemical companies of any other European country.

Each of West Germany's big three has tried to keep a stable of diversified chemicals, but each has been heavily invested in commodity chemicals.

The combined impact of competition from oil-rich nations and the

worldwide recession hit the companies hard. In 1980-82, they were shaken by two oil-price shocks and slackening demand.

Now they want to make the most of the rebound. The earnings growth of 1983 and 1984 already has leveled off, but has not stopped. After posting an average sales growth of 13.7 percent in 1984, the companies reported an average gain of 10.5 percent in the first six months of this year.

Bayer, with the largest sales volume in the first half of this year, said earnings before taxes rose 16 percent, to the equivalent of \$605 million, as revenues increased 12.3 percent, to \$8.6 billion. BASF, the second largest, reported a 37.3 percent earnings increase, to \$603 million, more than three times the rate of revenues, which were up 11.9 percent, to \$8.4 billion. Hoechst, No. 3, said earnings jumped 11.5 percent, to \$577 million, on a 7.3 percent sales rise, to \$7.8 billion.

Still, the warning lights are blinking again.

For one thing, there is a petrochemical industry growing in the Gulf. For another, much of the recent recovery was fueled by an export boom that was a result of the increased strength of the Japanese yen and the dollar against the Deutsche mark.

## For Some U.S. Firms, Smaller Is More Profitable

(Continued from Page 1)  
of business and public policy at Harvard University, see the trend as just another dangerous sign that the United States is consigning itself to the eventual role of a second-rate industrial power that merely assembles what the Japanese build.

Union leaders are also concerned, especially about large companies' growing practice of buying, or "out-sourcing," parts, products and services. They fear that the practice will only accelerate the movement of highly paid manufacturing jobs to lower-paying U.S. companies or foreign countries.

"Out-sourcing is a serious problem in all American industries," said Donald F. Ephlin, the United Auto Worker union's vice president in charge of dealing with General Motors Corp.

Virtually everyone agrees that this corporate disassembling helps explain the huge increase in diversifications. There were 900 last year, with a market value of \$29.4 billion, according to W.T. Grimm & Co., which specializes in mergers and acquisitions.

It also helps explain the corresponding surge in joint ventures and other alliances between U.S. and foreign companies. And it makes finding a solution to the record trade deficits all the more difficult.

U.S. manufacturers may moan about the mounting competitive threat from Japan, South Korea or Taiwan. Yet the proliferation of dependable, cost-efficient suppliers in those countries is driving down the price and driving up the quality of parts.

And that development is giving U.S. companies much more flexibility in deciding which parts, or entire products, for that matter, they should make themselves and which they should buy. They can

determine where in their business systems their greatest competitive strength lies and focus their resources accordingly.

Xerox Corp. now buys about 20 percent of the electronic parts that go into its photocopiers; as recently as 1979, it bought virtually none. Such out-sourcing has enabled Xerox to come up with the funds for a new photoreceptor plant and a new toner plant, said H. Barry Bebb, a Xerox vice president.

The dismantling of big corporations is also significantly altering the way they are managed. One of the most noticeable changes is the effort to develop closer, long-term relationships with suppliers, much as Japanese companies have done.

Ford, Xerox and General Electric are among the companies sharply reducing the number of suppliers they do business with, even as vendors. They want to make themselves more important to their suppliers, thereby increasing their leverage with suppliers.

"We realized that we had to become a preferred customer," said Nicholas Scheele, the director of supply policy and planning at Ford, which has pared its North American suppliers by about 30 percent since the end of 1981.

At the same time, the suppliers are being given an unprecedented amount of responsibility. Ford now frequently involves them in designing the parts that they have been asked to manufacture. A.O. Smith Corp., for example, designed the engine subframe for the Taurus and the Sable, Ford's newest mid-sized cars.

That kind of involvement is becoming the rule rather than the exception in other industries as well. Autoworkers at General Motors' Rochester products division, in Rochester, Michigan, worked with company engineers to design an efficient process for making fuel-injection systems, which GM had been buying exclusively from outside suppliers.

While it remains to be seen whether this kind of worker attitude spreads to other industries or fades away as out-sourcing grows, one thing is already clear: Companies are reaping bigger profits, developing products faster and making a better showing against foreign

competitors by doing less themselves.

California Steel Industries, a company that imports steel slabs from Brazil and other countries and finishes them in plants bought from Kaiser Steel, has just moved into the black, which an integrated Kaiser Steel had not been able to achieve for several years.

Firestone today makes money on truck radial tires, unlike three years ago. RCA Corp., which had a loss of \$375 million making and marketing its own videodisk player, has made "very high profits" marketing Japanese-made video cassette recorders.

Some companies see marketing someone else's product as a key way to keep Japanese brands out of their markets, or at least to limit their inroads. The auto industry may have created the biggest stir by adopting this tactic, but it is hardly the only one embracing this strategy.

STOCK	US\$	US\$
DeVoe-Holbein		
International nt	6%	7%
City-Clack		
International nt	2%	3%
Quotes as of September 30, 1985		

Investors seeking above average capital gains in global stock markets can simply write us a note and the weekly INVESTORS ALERT newsletter will be sent free and without obligation.

First Commerce Securities Inc.  
World Trade Center  
Strawinskylaan 857  
1077 XX Amsterdam  
The Netherlands  
Telephone: (31) (20) 62 77 62  
Telex: 14507 fireco nl

# Working in partnership with clients of all nations, Nomura brings its multiple strengths to bear in providing and executing the best solutions for clients' requirements.

## International Finance for a Changing World

Today, fund-raisers and investors have a diversity of exciting opportunities available to them in financial markets worldwide. Nomura is supremely well placed to turn this situation to the advantage of clients.

In cross-border yen financing and offshore financing in all major currencies, Nomura's acknowledged experience, reputation for innovation and position of high respect among investors assures our selection as lead-manager for the underwriting of bonds for a variety of issuers, including governments, development-oriented banks and top-flight private institutions.

Nomura also excels in the arrangement of swap agreements, reducing cost and risk for the client through the creation of tailor-made structures, a traditional Nomura skill.

## Strategies for Growth

Japan is rich in funds and Tokyo is the world's fastest-growing capital market, so it is natural that overseas corporations should look to Japan when considering plans for expansion. Nomura, the country's largest securities and investment banking firm, is the ideal partner.

Our information meetings in Tokyo provide first-class access to Japan's institutional investor community. As the record shows, Nomura's placing power makes us the best choice to lead-manage the underwriting of new share issues. We also assist overseas companies to secure listing on the Tokyo Stock Exchange.

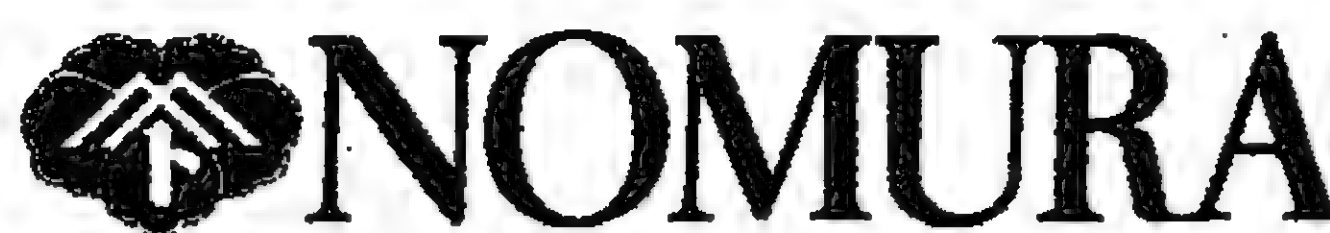
For growth by means of mergers and acquisitions, Nomura's research capability and contacts guarantee advice of the highest quality in this field, too.

## Sound Asset Management

Investor recognition of the strong potential in the economies of Japan and South East Asia is now well established. With institutions of all types more aware of the value of active management of their assets, nobody is more qualified than Nomura to link investor and market.

Our Institutional Research and Advisory Department (IRAD) offers overseas clients far-sighted advice on investment decisions, while Nomura Investment Management Co., Ltd. (NIMCO) specializes in portfolio management, distinguished by rigorous monitoring of performance. In support are the outstanding stock expertise of Nomura Securities and the in-depth data and analyses of Nomura Research Institute (NRI).

As in all aspects of its business, Nomura sets a premium on working in the closest harmony with clients.



**NOMURA**  
NOMURA INTERNATIONAL LIMITED (London) Tel: (01) 283-8811  
NOMURA EUROPE N.V. (Amsterdam) Tel: (020) 444860 / NOMURA EUROPE GmbH (Frankfurt) Tel: (069) 770621  
NOMURA (SWITZERLAND) LTD., ZÜRICH OFFICE Tel: (01) 219-9111 / GENEVA OFFICE Tel: (022) 324646  
LUGANO OFFICE Tel: (091) 202222 / NOMURA FRANCE (Paris) Tel: (01) 562-1170  
NOMURA INVESTMENT BANKING (MIDDLE EAST) E.C. (Manama) Tel: 271099, 254282, 233432  
BRUSSELS REPRESENTATIVE OFFICE OF THE NOMURA SECURITIES CO., LTD. Tel: 230-7167  
THE NOMURA SECURITIES CO., LTD., TOKYO HEAD OFFICE Tel: (03) 211-1811, 211-3811

## Herald Tribune



# 2 for 1

Take advantage of our special rates for new subscribers and we'll give you an extra month of Tribs free with a one-year subscription. Total savings: nearly 50% off the newsstand price in most European countries!

To: Subscription Manager, International Herald Tribune, 181, avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Please enter my subscription for:

Special Introductory Rates:  
Please circle the reduced subscription price indicated. For new subscribers only.  
(Rates valid through March 31, 1986)

Country	Currency	1 year	6 mos.	3 mos.
Austria	Sch.	4,020	2,170	1,190
Belgium	B.F.	9,120	4,870	2,660
Denmark	Dkr.	1,930	1,040	570
Finland	F.M.	1,610	750	410
France	F.F.	1,220	640	350
Germany	D.M.	850	460	250
Great Britain	£	101	55	30
Greece	Dr.	15,600	8,460	4,620
Netherlands	Fl.	590	290	160
Norway	Nkr.	115	62	34
Ireland	Ir£	27,000	14,040	8,200
Italy	L.F.	9,020	4,870	2,660
Luxembourg	Nkr.	1,420	765	420
Norway	Nkr.	13,800	7,450	4,090
Portugal	Esc.	21,200	11,500	6,300
Spain	Ptas.	1,490	795	430
Sweden	Skr.	420	220	120
Switzerland	Sfr.	420	220	120
Rest of Europe, North Africa, former French Africa, U.S.A., French Polynesia, Middle East	\$	300	170	95
Rest of Africa, Canada, Latin America, Gulf States	\$	440	230	130
Asia	\$	440	230	130

Please charge my:  
☐ American Express  
☐ Diners Club  
☐ Eurocard  
☐ Mastercard  
☐ Visa

Card expiry date: \_\_\_\_\_ Signature: \_\_\_\_\_  
 Card account number: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ Country: \_\_\_\_\_ I-10-85  
 Tel: \_\_\_\_\_







## BUSINESS ROUNDUP

## CSR Is to Sell Ore Interests to BHP

Reuters

SYDNEY — CSR Ltd., the Australian energy group, said Monday it would sell its West Australian ore interests to Broken Hill Pty. to reduce group debt by about \$1.1 billion Australian dollars (\$714.3 million) but retain 100 percent of the Delphi Australia Fund trust.

CSR said the restructuring will give it access to all of Delphi's assets and cash from oil and gas from April 1, 1986, and reduce debt by more than 50 percent.

Under the plan, BHP will buy CSR's subsidiary, Pilbara Iron Ltd., which has a 30-percent interest in the Mount Newman iron ore project, and CSR's 22-percent

stake in Thiess Dampier, Mitsui Coal Pty.

Separately, BHP's managing director and chief executive, Brian Lotton, said his company would spend 1.01 billion dollars increasing its stake in Mount Newman to 83 percent and in TDM to 80 percent.

In addition to the purchases from CSR, BHP will also buy the 25-percent Mount Newman stake held by Amex Iron Ore Corp., Mr. Lotton said.

BHP's would pay 880 million dollars for the Mount Newman interests and 140 million for the TDM shares. CSR would in turn buy BHP's 50-percent stake in Western Collieries and Dampier

Pty. for 10 million dollars, Mr. Lotton said.

The Mount Newman joint venture supplies most Australian needs and has several long-term export contracts with Japan, South Korea and other countries.

On the Delphi restructuring, CSR said it will repay over the next six months all the existing Delphi Australia fund debt of 1.3 billion dollars at current exchange rates.

The repayment will be funded by the proceeds of a 1985 share issue to raise about 250 million dollars, divestment of Pilbara Iron, TDM, CSR Pastoral Properties, Richter Drilling Pty. and other assets to raise 800 million dollars, and a 250-million-dollar net increase in long-term borrowings.

## West German, Italian Groups Plan A Venture to Market Space Flights

Compiled by Our Staff From Dispatches

BREMEN, West Germany — Aerospace groups in West Germany and Italy will cooperate in a venture to market space flights and the use of space laboratories and production units, one of the companies said Monday.

ERNO Raumfahrttechnik GmbH, a wholly owned subsidiary of Messerschmitt-Bölkow-Blohm GmbH, West Germany's leading aerospace company, said it would set up a joint subsidiary with Italy's Aeritalia to give industry access to space as a laboratory and production site.

The new company, Intospace GmbH, would be an intermediary between the aerospace sector and other industries that at present are not fully aware of the range of commercial uses to which space could be put, ERNO believes.

Intospace would offer development of space-based production facilities and transport vehicles as well as help with financing. ERNO and Aeritalia had leading roles in developing Europe's orbiting space laboratory.

## COMPANY NOTES

Allied-Lyons PLC said its pension fund bought 350,000 Allied shares at 295 pence (\$4.13) each. It is subject to a potential bid from Elders IXL, the Australian brewing, agricultural and financial concern.

Atlas Consolidated Mining & Development Corp., based in Manila, said it will suspend operations at a copper mine and mill in the Philippines because of a decline in world prices.

Banque Paribas, the French state-owned bank, said its Paribas Technology subsidiary has set up a \$50-million venture capital fund to invest in fast-growing high-technology companies in the United States, Japan and Western Europe.

Chrysler Canada Ltd. union

workers voted overwhelmingly to authorize a strike if current contract talks with the company fail, a Canadian United Auto Workers union spokesman said.

CCI/Alcatel, the French telecommunications concern, has received an order from Nepal for a digital telephone switching system worth about 100 million francs (\$12.3 million).

Guest, Keen & Nettlefolds PLC, the British engineering concern, said it would increase its holding in its related Spanish company, Ayra Durex SA, to 66 percent from 35 percent. It has also agreed to buy the total share capital of Indugasa SA of Spain. No financial details were given.

Kleinwort, Benson Ltd., the London-based merchant bank, said it sold 50,000 United Newspapers PLC ordinary shares on Friday at 303 pence (\$4.34) each. The concern is financial adviser to Fleet Holdings PLC, the subject of a bid by United Newspapers.

Malaysian Airline System, the state-owned concern, began its privatization Monday by offering to the public 52.5 million shares. Industry sources said public response to the share offer is expected to be good. The offer closes on Oct. 30.

Singapore Airlines said it will make two additional flights to the United States via Tokyo beginning Oct. 29.

## Ericsson Ends U.S. Sales Of Computers

Reuters

RICHARDSON, Texas — Ericsson Inc., a joint venture of L.M. Ericsson Telefonaktiebolaget of Sweden and Atlantic Richfield Co. of the United States, said Monday that it will withdraw from U.S. personal computer marketing to concentrate on its core business of telecommunications.

Ericsson said the decision had been prompted by depressed market conditions for personal computers.

It said its distribution agreements with 175 computer dealers will not be renewed when they expire at the end of the year, but Ericsson will continue to service its products.

Separately, officials at the parent concern in Stockholm said that Ericsson will soon announce further measures to streamline its published information-systems subsidiary.

"We will take additional steps to streamline operations in Ericsson Information Systems very soon," a spokesman said. He did not elaborate.

Ericsson began a streamlining move at EIS after it showed a 217-million-kroner (\$26.9-million) loss 1984.

Ericsson's first half pretax profit is year fell to 644 million kronor or 928 million because of lower-than-expected earnings at EIS. Explaining the move to pull out of the U.S. market for personal computers, the spokesman said at Ericsson had not achieved the sales volume it expected.

## Floating-Rate Notes

Dollar

Sep. 30

Issuer/Note

Coupon Next Bid Asked

Allied Irish 95 7% 10-12 99.99 100.00

Allied Irish 92 7% 11-10 100.00 100.01

Allied Irish 89 7% 12-09 100.00 100.01

Arco 8 100.00 100.01

Atlantic Richfield 8 100.00 100.01

Autoglyp 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 100.01

Banco 8 100.00 1



[illegible]

12

*A wholly-owned subsidiary of International Banknote Company*

BRADBURY-WILKINSON INFORMATION TECHNOLOGY SYSTEMS, LTD  
Garwick Road, Crawley, East Sussex England - (0293) 544-711



## CURRENCY MARKETS

## Dollar Plunges to 4-Year Low Against Yen

Compiled by Our Staff From Dispatches

LONDON — The dollar closed almost unchanged in Europe on Monday from its opening and Friday closing levels after plummeting in Tokyo to its lowest level against the Japanese currency in nearly four years.

In Tokyo, the U.S. currency fell to 217.05 yen — its lowest rate since Dec. 4, 1981, when the currency traded briefly at 215.80 — from Friday's close of 222.50. In later trading in London, the dollar fell further, to close at 215.60.

"The rate has fallen to 216 yen to the dollar, but we're still not satisfied with that," said Tetsu Muto, a Bank of Japan spokesman.

Mr. Muto's statements echoed those made earlier in Osaka by the governor of Japan's central bank, Satoshi Sumita. "Neither the United States nor Japan have a fixed idea on how far the dollar should fall," he said. "What we're hoping for is that it'll fall further."

The dollar traded at a record low of about 175 yen in November 1978.

A strong dollar has long been held by Japanese officials as the primary cause of the huge U.S. trade deficit with Japan, which is expected to reach \$50 billion this year. A weaker dollar makes American exports less expensive.

Neither Japanese official would comment on whether the central bank had intervened in Monday's market, but the Bank of Japan is thought to have sold between \$1.5 billion and \$2 billion since last Tuesday to push the dollar lower.

Against other currencies, meanwhile, the dollar held its own in nervous trading dominated by fears of further central-bank intervention. Against the Swiss franc, dealers said, markets treated the normally bullish news that U.S. leading indicators rose 0.7 percent in August with an excessive degree of caution.

In London, the dollar closed at 2.6790 Deutsche marks, virtually unchanged from its opening and Friday's close of 2.6800. The British pound rose to \$1.4083 from an opening \$1.3965 to end almost unchanged from \$1.4075 on Friday.

In earlier trading in Europe, the dollar was fixed at mid-afternoon in Frankfurt at 2.6699 DM, unchanged, at 8.1925 French francs in Paris, down from 8.1670, and at 3.0165 Dutch guilders in Amsterdam, slightly lower than 3.0175 on Friday. In Zurich, the dollar closed at 2.1935 Swiss francs, virtually unchanged from 2.1965 on Friday.

One London dealer said that surpluses in central bank intervention may have held the dollar down in the face of good U.S. economic news. "It was very well bid and should have gone higher," he said. Others, however, said they detected no activity.

(Reuters, UPI)

## Chicago Link To Singapore Works Well

(Continued from Page 9)

and those in Chicago and Philadelphia has thus far been that all traders would be treated equally, and all contracts would be uniform and exchangeable in both markets.

"All well and good," Mr. Bettelheim said. "But under which country's tax and regulatory laws would traders operate? In the United Kingdom, for example, the Inland Revenue has a flat tax of 30 percent on trading, but may also levy much higher taxes on an individual's total income. Your Internal Revenue Service simply levies a maximum futures-trading profits tax of 32 percent, but has yet to rule on gains from international transactions."

Another potential problem concerns broker insolvencies and bankruptcies, he continued. As a rule, the clearing units of U.S. futures exchanges, in effect, guarantee the funds of traders, which are by law segregated from the broker's money. This means that customers can get their money without waiting for the end of legal proceedings.

"In the U.K., there is no segregation of customer funds and distribution provision until the bankruptcy or insolvency is cleared up," Mr. Bettelheim said. "There have been cases here where brokers have used customer funds, including trust and discretionary accounts, to try to trade out of their predicament while insolvent or bankrupt."

Another expert, Thomas A. Russo, a partner in the law firm of Cadwalader, Wickersham & Taft, agreed with Mr. Bettelheim's assessment of the potential hurdles to the continued internationalization of the futures markets but added:

"The two biggest hurdles concern national sovereignty and protection against fraud. No nation will readily agree to have its citizens subjected to foreign laws. This applies to criminal acts such as fraud. While the Chicago Merc and Sinex have agreed to a uniform set of rules, this may not be the case with the much older, much larger and more powerful London markets."

## Business Review Seeks to Draw More Readers

(Continued from Page 9)

revenues, Review officials added. "I've got a lot of toys in my mind, but this is one of the more tantalizing," said Mr. Levitt.

Mr. Levitt appears intent upon practicing what he preached 25 years ago in a Review article entitled "Marketing Myopia." In that piece, still considered required reading at business schools, Mr. Levitt chastised companies for being product-oriented rather than customer-oriented. Too many companies do not understand what their true business is, he wrote. The railroads, for instance, thought they were in the railroad business, not the transportation business, allowing the auto, trucking and airline industries to take over their customers.

As far as Mr. Levitt is concerned, the Harvard Business Review's true business is educating managers so they can do their jobs better and be more responsible members of society — and not publishing a magazine every two months.

Not that the Review is yet in danger of going the way of the passenger railroads. Paid circulation now stands at 243,000, an all-time high for the 63-year-old publication. And ad sales climbed 10.8 percent in the first half of 1985, according to the Publishers Information Bureau Reports.

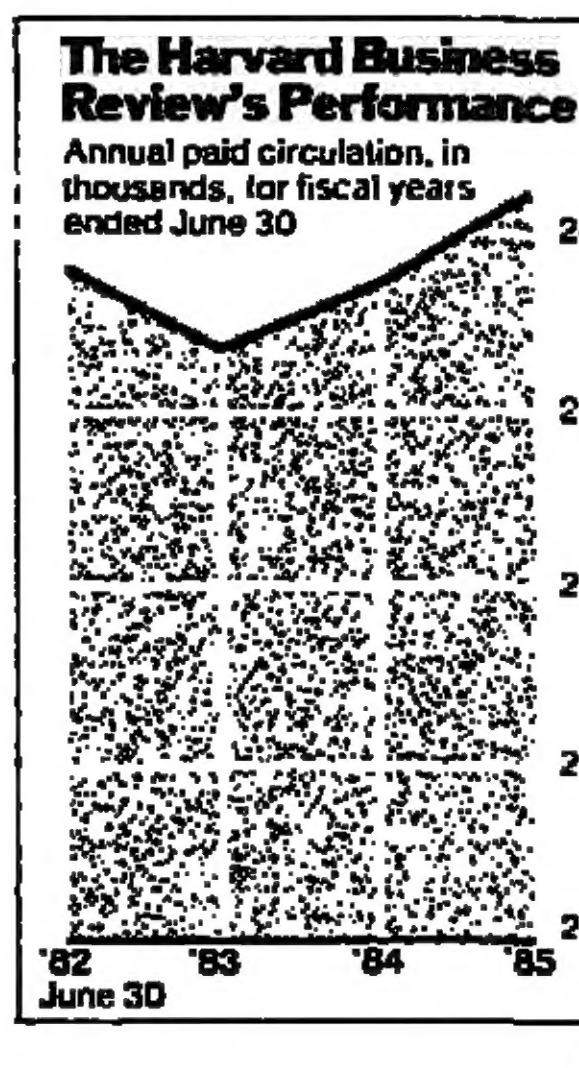
In the fiscal year that ended June 30, the Review's revenues rose nearly 9 percent, to a record \$12.5 million. Subscriptions, at \$35 a year, account for about 60 percent of that sum. Advertising generates about 20 percent. And the rest comes largely from articles recycled in the form of reprints, books and the 11 foreign-language editions that boast a circulation of more than 500,000.

Profits, while not disclosed, are big enough to enable the Review to make a "substantial contribution" to the Harvard Business School, said Kenneth R. Andrews, who headed the magazine for nine years.

## Suez Canal to Raise Tolls

REUTERS

CAIRO — The Suez Canal Authority announced Monday an average increase in canal tolls of 3.4 percent, starting next Jan. 1.



before stepping down at age 69 at the end of last month.

Many other business schools have striven to copy the Review's success, but none thus far has come close. The University of Pennsylvania finally gave up trying and earlier this year folded its Wharton Magazine.

Another formerly ambitious competitor, the Columbia Journal of World Business, has a circulation of less than 10,000. "The fact most people haven't heard of it is an indication it hasn't had the impact we hoped," said John C. Burton, dean of the Columbia Business School.

Just how much impact the Harvard Business Review actually has is still hotly debated among business executives and academicians. Many members of the business-school community criticize the Review for lacking the depth and discipline of academic journals. "Most faculty members at most major schools would not consider it a primary outlet for their research," said Richard R. West, dean of New York University's Graduate School of Business.

Plenty of business people, on the other hand, complain that the Review's articles are still too steeped in academic theory and jargon. "The language used in the publication is very heavy," said Mr. Tobler.

"It is a prestigious magazine business executives like to have in their office, but not many read it," added Lewis H. Young, the former editor in chief of Business Week

who is now president of the Diebold Group, a management consulting firm.

Despite what these critics say, articles in the Review are clearly read and reread — even if it is months or years after they are originally published. Indeed, the Review sells 2.4 million reprints a year.

During his tenure, Mr. Andrews shortened the average length of articles and even hired some journalists as editors in an attempt to make the magazine more readable. He also recruited staff members with stronger academic backgrounds. His goal was to enable the magazine to play a much broader role than just helping managers hone their business skills. He wanted to prod managers to think more about broader topics. The role of business in society and its relationship with government were especially important to him.

While the magazine offers a heavy dose of how-to articles on, say, materials-resource planning and sales management, it also regularly runs articles on subjects as corporate ethics, small-business issues and women managers. One 1983 piece that drew a lot of mail was entitled "Managers and Lovers."

The Review also has stirred controversy by criticizing American management. In their now famous 1980 article "Managing Our Way to Economic Decline," Robert H. Hayes and William J. Abernathy, two Harvard professors, blamed American manufacturers' problems in competing against the Japanese on their obsession with a creating short-term earnings.

A special report that appeared last year attacked business schools for turning out these risk-averse numbers-crunchers. The economic decline piece may have been the most notable, but other influential articles that appeared during Mr. Andrews' reign include David Garvin's "Quality on the Line," an analysis by the Harvard faculty member of why the quality of many American products is lower than that of the Japanese, and several stories by David W. Ewing, the Review's managing editor, on employee rights within the corporation.

The Review promises to be provocative under Mr. Levitt, too. A renowned marketing sage who

taught at the Harvard Business School since 1959, this German-born son of a shoemaker holds the record for most articles published in the Review: 25. Peter F. Drucker, the management authority, however, is breathing down his neck.

Mr. Levitt happily confesses that he has no qualms about resorting to exaggeration to drive home a point.

That is exactly what he says he did in "The Globalization of Markets," an article that appeared in 1983 and was roundly attacked for being overly simplistic. The multinational corporation that customizes its products for individual countries is dead, he declared. It is now the age of the global corporation that sells standardized products throughout the world. "Gone are accustomed differences in national or regional preference," he insisted.

Does he really think so? Well, maybe not completely, he conceded.

Noting that "it's a real rough world out there," Mr. Levitt maintains that taking a provocative stand is perfectly fair in the battle for readership time. "If you were in the steel business, what would you read first, Iron Age or the Harvard Business Review?" he asked. Right now, he obviously expects the answer to be the former. Clearly, he hopes to change that.

## Hanna, Grace Split Coal Firms

The Associated Press

CLEVELAND — M.A. Hanna Co. and W.R. Grace Co. have agreed to end their joint ownership of two coal companies in favor of separate ownership, the companies announced Monday.

The arrangement gives Hanna 100-percent ownership of Terry Eagle Coal Co., Summersville, West Virginia, and gives Grace 100 percent of Rapoca Energy Co., Wise, Virginia. The companies had owned the two coal concerns through a joint venture.

In a separate transaction, Hanna agreed to buy all outstanding debt of Midland SouthWest Corp., an oil and gas drilling concern based in Midland, Texas. Hanna had owned 50 percent of the company.

## THE EUROMARKETS

## U.S. Report Has Little Impact on Traders

By Christopher Pizzezy

LONDON — The dollar-sterling and floating-rate-note sectors of the Euromarket market were quiet Monday, with news of a slightly higher than expected rise of 0.7 percent in the U.S. Index of Leading Economic Indicators having little impact, dealers said.

Only two bonds had been launched by the end of the trading day, the Banque Française du Commerce Exterior came in the European currency unit sector and Embank Corp. in sterling.

However, floating-rate-note traders said they are expecting a major U.S. bank to tap the market shortly, possibly with an issue totaling as much as \$500 million.

Dealers and syndicate managers said market talk for the potential spread on such an issue, which they believe could have a 20-year maturity with an investor put option after 15 years, centered around 17/16 point over the three-month London interbank offered rate.

In the secondary floating-rate-note market, prices tended to drift back a little, with seasoned issues generally showing losses of 2 to 4 basis points. The \$2.5-billion floating rate for Britain was off about 5 basis points at 99.87. Dealers added, however, that the market remained thin and dominated by professionals.

The 150-million-ECU bond for BFCE carries a government guarantee and pays 8 1/2 percent a year over eight years. The par-priced issue was quoted on the market at a discount of 1/4, inside the total fees of 1 1/2 percent. The lead manager was Banque Nationale de Paris.

Seasoned dollar-sterling issues were mainly around 1/4 point easier by the close, having shown little change in the morning session, dealers said. They added that sentiment was a little depressed by the indicator report but there was hardly any actual selling during the day. As in the floating-rate sector, trading remained dominated by professionals.

The Japanese convertible sector had another active day after the Tokyo Stock Market rose sharply during Saturday's and Monday's sessions, dealers said.

Selected issues moved sharply higher, with the 4 1/2 percent bond due 1999 for Mitsubishi Heavy Industries Ltd. again a strong performer, jumping well over 10 points, to end at around 205 1/4.

## Monday's OTC Prices

NASDAQ prices as of 3 p.m. New York Time. Via The Associated Press

12 Month High Low Stock Div. Yld. Sales in '85 High Low 3 P.M. Close

1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030











## *A Teaspoonful of Maine*

## Martin Scorsese's Place on the Periphery

## PEOPLE

### More Treasure in Florida

tenor **William Johns** substituted for him in the remaining performances.

**INTERNATIONAL CLASSIFIED**

[illegible]

# IT'S WONDERFUL TO BE A WINNER!

Now try the Lottery with only  
**80,000 Tickets**

44,900 winners

**WINNING CHANCES: 1:2**

Yes, only 80,000 tickets participate in the 121<sup>st</sup> Austrian Lottery, bringing **YOU** closer to **BIG WINS** like these:

**1st Prize: US \$ 624,000.00**

**2nd Prize: US \$ 312,000.00**

3rd Prize: \$ 260,000.00

2 Prizes of \$ 208,000.00

2 Prizes of \$ 156,000.00

2 Prizes of \$ 104,000.00

31 Prizes of \$ 52,000.00

35 Prizes of \$ 26,000.00

**PLUS 44,825 Other Cash Prizes up to \$ 15,600.00**

**Total Prize Money: \$ 22,089,680.00**

- Your winning chances are the best worldwide, since one out of every two tickets wins at least the cost of the ticket.
- All winnings paid out **tax-free** in any currency, anywhere.
- For your protection, the **Austrian Lottery** is under strict government control.

Make a date with luck! Write today, using coupon, for brochure and ticket application form

to  
**PROKOPP INTERNATIONAL**  
official distributor for the Austrian National Lottery.

29 Mariahilfer Str.

(Since 1973)

A-1061 Vienna, Austria.

Please send me a brochure and ticket application form for the 121<sup>st</sup> Austrian National Lottery.

Name \_\_\_\_\_

Address \_\_\_\_\_

City/Country \_\_\_\_\_

MAIL TODAY • WIN TOMORROW • MAIL TODAY • WIN TOMORROW • MAIL TODAY • WIN TOMORROW

MAIL TODAY • WIN TOMORROW • MAIL TODAY • WIN TOMORROW • MAIL TODAY • WIN TOMORROW

[illegible][illegible]